

NOTICE OF REGULAR MEETING

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

Date/Time: **Wednesday, March 14, 2012, 7:00 p.m.**
(or as soon thereafter as possible)

Location: City Hall Council Chambers
333 Civic Center Plaza, Tracy

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

PLEDGE OF ALLEGIANCE

ROLL CALL

MINUTES APPROVAL

DIRECTOR'S REPORT REGARDING THIS AGENDA

ITEMS FROM THE AUDIENCE

In accordance with Procedures for Preparation, Posting and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2008-140 any item not on the agenda brought up by the public at a meeting, shall be automatically referred to staff. If staff is not able to resolve the matter satisfactorily, the member of the public may request a Planning Commission Member to sponsor the item for discussion at a future meeting.

1. OLD BUSINESS

2. NEW BUSINESS

A. PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE TRACY MUNICIPAL CODE SIGN REGULATIONS AFFECTING SIGNS FOR SCHOOLS IN TRACY – THE APPLICATION IS INITIATED BY THE TRACY CITY COUNCIL – APPLICATION NUMBER ZA12-0001

B. PUBLIC HEARING TO CONSIDER PLANNING COMMISSION RECOMMENDATIONS FOR ADOPTION OF A MITIGATED NEGATIVE DECLARATION AND A GENERAL PLAN AMENDMENT, PRE-ZONING AND ANNEXATION TO THE CITY OF TRACY FOR THE TRACY DESALINATION AND GREEN ENERGY PROJECT, CONSISTING OF APPROXIMATELY 241 ACRES LOCATED EAST OF TRACY BOULEVARD IN THE VICINITY OF SUGAR ROAD, ASSESSOR'S PARCEL NUMBERS 212-160-05, 212-160-09, AND 212-160-11. THE APPLICANT IS TRACY RENEWABLE ENERGY LLC. THE PROPERTY OWNER IS THE CITY OF TRACY. APPLICATION NUMBERS GPA11-0004 AND A/P11-0001

**C. PUBLIC HEARING TO ADOPT THE 2009 – 2014 GENERAL PLAN HOUSING
ELEMENT AND CEQA NEGATIVE DECLARATION**

3. ITEMS FROM THE AUDIENCE
4. DIRECTOR'S REPORT
5. ITEMS FROM THE COMMISSION
6. ADJOURNMENT

March 8, 2012

Posted Date

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

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

March 14, 2012

NEW BUSINESS 2-A

REQUEST

**PUBLIC HEARING TO CONSIDER AN AMENDMENT TO THE TRACY
MUNICIPAL CODE SIGN REGULATIONS AFFECTING SIGNS FOR
SCHOOLS IN TRACY – THE APPLICATION IS INITIATED BY THE TRACY
CITY COUNCIL – APPLICATION NUMBER ZA12-0001**

DISCUSSION

Staff is evaluating alternative language regarding the proposed amendment and anticipates completing the evaluation prior to the next regularly scheduled Planning Commission meeting.

RECOMMENDATION

Staff recommends that the Planning Commission open the public hearing and continue this item to the next regularly scheduled Planning Commission meeting on March 28, 2012.

MOTION

Move that the Planning Commission continue this item to the next regular Planning Commission meeting on March 28, 2012.

Prepared by Alan Bell, Senior Planner

Reviewed by Bill Dean, Assistant Development and Engineering Services Director

Approved by Andrew Malik, Development and Engineering Services Director

March 14, 2012

AGENDA ITEM 2-B

REQUEST

PUBLIC HEARING TO CONSIDER PLANNING COMMISSION RECOMMENDATIONS FOR ADOPTION OF A MITIGATED NEGATIVE DECLARATION AND A GENERAL PLAN AMENDMENT, PRE-ZONING AND ANNEXATION TO THE CITY OF TRACY FOR THE TRACY DESALINATION AND GREEN ENERGY PROJECT, CONSISTING OF APPROXIMATELY 241 ACRES LOCATED EAST OF TRACY BOULEVARD IN THE VICINITY OF SUGAR ROAD, ASSESSOR'S PARCEL NUMBERS 212-160-05, 212-160-09, AND 212-160-11. THE APPLICANT IS TRACY RENEWABLE ENERGY LLC. THE PROPERTY OWNER IS THE CITY OF TRACY. APPLICATION NUMBERS GPA11-0004 AND A/P11-0001

BACKGROUND

On April 20, 2010, City Council authorized Combined Solar Technologies (CST) to conduct a Green Energy Pilot Project at Tracy's Wastewater Treatment Plant (WWTP). The pilot project demonstrated how thermal desalination can be used to remove salt from Tracy's wastewater, by means of the same technology that CST has utilized at the Musco Family Olive Company's Tracy facility.

On April 19, 2011 City Council authorized an Exclusive Negotiating Rights Agreement (ENRA) with CST for a Green Energy and Thermal Desalination Project Feasibility Study. The applicant on this agenda item, Tracy Renewable Energy LLC, is a company that CST has established to develop the Tracy Desalination and Green Energy Project.

DISCUSSION

Project Overview

The project site consists of approximately 241 acres of City-owned land located within the City's Sphere of Influence, immediately north of the Tracy City limits (Attachment A: Location Map). The project site is bounded by Tracy Boulevard to the west, Arbor Avenue and industrial uses to the south, agricultural lands to the north, and the City's WWTP to the southeast. The project site is bisected by Sugar Road, which runs in an east-west direction. The project site includes Assessor's Parcel Numbers 212-160-05, 212-160-09 and 212-160-11.

The primary purpose of the proposed project is to construct and operate an approximately 1,200,000 gallon per day (gpd) desalination plant (Plant) in the City of Tracy. The Plant would process treated effluent currently generated by the Tracy WWTP to a quality that is suitable for discharge into the Sacramento San Joaquin Delta (Delta) and meets State standards for water quality discharge. The Tracy WWTP currently processes approximately 9,000,000 gpd of effluent. The WWTP discharges this treated effluent directly into the Delta. The WWTP's discharge currently contains salt in amounts that exceed the State's Delta salinity standards.

The operation of the desalination plant will require a heat energy supply. The proposed project includes a biomass cogeneration energy production component. The biomass energy component would utilize available sources of biomass, primarily agricultural residuals (such as almond and walnut shells) and urban wood waste, ideally within a 50-mile radius of the site. The biomass energy component would generate approximately 16.4 megawatt-hours (MW/hr) of electricity, 15 MW/hr of which would be distributed and sold to the local energy grid.

Land Use Actions

The proposed project includes actions to annex the entire 241-acre project site into the City of Tracy, a General Plan Amendment to designate the entire project site as Industrial, and pre-zoning of the site to Light Industrial (M1). These proposed actions are described in greater detail below. The project would also involve three agreements between the City of Tracy and Tracy Renewable Energy LLC (TRE), which are not part of this agenda item but would be brought to City Council for consideration at a future date. These agreements would likely include a land lease/purchase agreement, a power purchase agreement and a water treatment agreement.

Mitigated Negative Declaration

In accordance with the California Environmental Quality Act (CEQA) regulations and CEQA Guidelines, the City prepared an Initial Study for the Tracy Desalination and Green Energy Project. Based on the findings and mitigation measures contained within the Initial Study, a Mitigated Negative Declaration (MND) was prepared. The MND was circulated for public review from December 1, 2011 until December 30, 2011 and extended until January 24, 2012 (Attachment B: Mitigated Negative Declaration and Initial Study).

A total of four comment letters were received regarding the MND and Initial Study (Attachment C: Public Comments on the MND and Initial Study). The letters were received from Caltrans, the San Joaquin County Department of Public Works, the San Joaquin Air Pollution Control District, and the Regional Water Quality Control Board. Each of these letters is summarized below. None of the letters received challenged the adequacy of the environmental analysis in the MND, and none of the letters raised any issues or concerns that would warrant changes to the MND, or a recirculation of the MND.

1. Caltrans commented that the cumulative conditions of the proposed project may contribute to the degradation of the level of service on the State Highway System, and recommended that the City collect a transportation impact mitigation fee on a proportional share basis from the applicant to be applied to future improvements to the I-205/North MacArthur Drive interchange.

As described in the MND, the project would not generate significant volumes of traffic, and no traffic impacts were identified. Caltrans has not indicated that they disagree with the MND's traffic analysis or less than significant impact conclusions.

2. The San Joaquin County Department of Public Works commented that the entire County portions of Holly Road, Sugar Road, and Arbor Road should be annexed into

the City of Tracy. The City is planning to include the entirety of the adjacent roadways in the annexation area.

The County commented that the structural section of the remaining piece of Arbor Road within the County is unknown, but the condition is poor. As described in the MND, the proposed project would not result in any significant traffic or circulation impacts. The existing condition of the pavement of Arbor Road is not expected to deteriorate significantly as a result of project implementation. No changes to the MND analysis or mitigation measures are warranted.

The County provided some suggested language edits regarding the 100-year Floodplain description. These comments are noted; however, the revised language proposed by the County would not materially alter the analysis or conclusions contained in the MND, nor is any additional analysis or mitigation warranted.

3. The Air Pollution Control District stated that they agreed with the MND's conclusion that project emissions of criteria pollutants would not exceed District significance thresholds and that the project would not result in any significant impacts to air quality. The District agreed that the project is not subject to District Rule 9510 (Indirect Source Review) but is subject to Rule 2201 (New and Modified Stationary Source Review). The District also noted that the project may be subject to a range of Rules geared towards reducing construction-related emissions, which are standard for most projects constructed within the Air District's boundaries. Overall, the District endorsed the analysis in the MND related to air quality.
4. The Regional Water Quality Control Board provided a letter that summarized a range of permits that may be required for the proposed project. The letter did not specifically address the MND or the adequacy of the environmental analysis. The project would not impact any wetlands or jurisdictional Waters of the U.S. City staff will ensure that the project complies with all applicable water quality permit requirements related to construction and operation, and the appropriate Best Management Practices are implemented.

The description of the project boundary, which was published in the Initial Study and MND, indicated that approximately 13-acres of APN 212-160-11 were included in the project area proposed for annexation. The project boundary has been changed to indicate that the entire 17.1-acre area of APN 212-160-11 is included in the area proposed for annexation (Attachment A: Location Map). LAFCo policies require that annexation boundaries conform to property boundary lines.

The area being added to the project boundary is the location of the former Holly Sugar Administrative Buildings (City-owned). The addition of this approximately 4.1-acre area to the project boundary does not result in any new significant or potentially significant environmental impacts, nor does it increase the severity of any previously identified environmental impacts or require any changes to mitigation measures included in the Initial Study/MND because the majority of this area is paved or covered in gravel road base, and contains the former administrative building and associated support structures historically used for equipment and vehicle storage; and because the proposed Tracy

Desalination and Green Energy Project would not result in the alteration of this portion of the project area. The proposed change only involves inclusion of this portion of APN 212-160-11 into the area proposed for annexation.

Therefore, the proposed revision to the project boundary does not constitute a “substantial revision” as defined by CEQA Guidelines Section 15073.5(b). The proposed change to the project boundary does not result in any new or increased significant effects. The proposed change to the project boundary is considered new information which merely clarifies, amplifies, or makes insignificant modifications to the MND. As such, recirculation of the document is not required, as specified by CEQA Guidelines Section 15073.5(c).

General Plan Amendment

The City of Tracy’s General Plan currently designates approximately 224 acres of the Tracy Desalination and Green Energy Project site as Agriculture and approximately 17 acres as Industrial. For the portion of the site that is currently designated Agriculture, a General Plan Amendment (both to the text and the Land Use Designation Map) is proposed to change the General Plan designation from Agriculture to Industrial (Attachment D: Proposed General Plan Amendment).

Pre-Zoning / Annexation

This agenda item involves the Planning Commission making a recommendation to the City Council on annexation of the Tracy Desalination and Green Energy Project site to the City of Tracy. Corporate City limit changes, including property annexation, are completed at Local Agency Formation Commission (LAFCo) based on a City application (petition to LAFCo). The application to LAFCo would be prepared by City staff based on City Council direction related to the Mitigated Negative Declaration, General Plan Amendment and Pre-Zoning. Upon annexation, the Tracy Desalination and Green Energy Project site would be zoned Light Industrial (M1), and the Light Industrial (M1) zone district would be the pre-zoning for the application to LAFCo (Attachment E: Proposed Pre-Zoning and Annexation). Public facilities for the Tracy Desalination and Green Energy Project site have been identified and documented in the Mitigated Negative Declaration and Initial Study.

RECOMMENDATION

Staff recommends that the Planning Commission take the following actions:

1. Recommend that the City Council adopt the Mitigated Negative Declaration for the Tracy Desalination and Green Energy Project;
2. Recommend that the City Council approve a General Plan Amendment to designate the 241-acre Tracy Desalination and Green Energy Project site as Industrial, Application GPA11-0004; and
3. Recommend that the City Council approve pre-zoning of the 241-acre Tracy Desalination and Green Energy Project site as Light Industrial (M1) and

petition to LAFCo for annexation of the 241-acre site to the City of Tracy,
Application A/P11-0001.

MOTION

Move that the Planning Commission take the following actions:

1. Recommend that the City Council adopt the Mitigated Negative Declaration for the Tracy Desalination and Green Energy Project;
2. Recommend that the City Council approve a General Plan Amendment to designate the 241-acre Tracy Desalination and Green Energy Project site as Industrial, Application GPA11-0004; and
3. Recommend that the City Council approve pre-zoning of the 241-acre Tracy Desalination and Green Energy Project site as Light Industrial (M1) and petition to LAFCo for annexation of the 241-acre site to the City of Tracy, Application A/P11-0001.

Prepared by: Scott Claar, Associate Planner

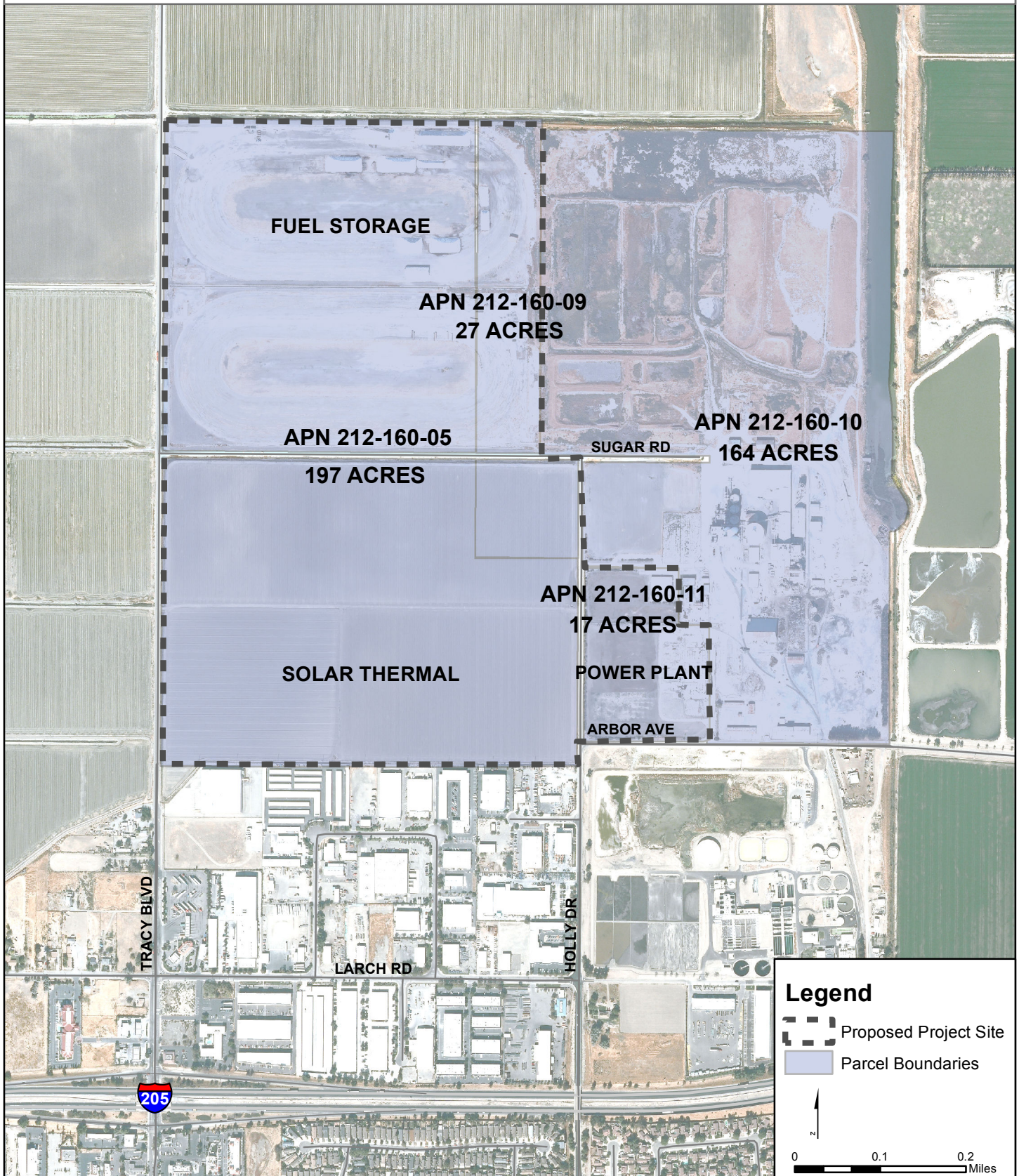
Reviewed by: Bill Dean, Assistant Development & Engineering Services Director

Approved by: Andrew Malik, Development & Engineering Services Director

ATTACHMENTS

- A: Location Map
- B: Mitigated Negative Declaration and Initial Study
- C: Public Comments on the Mitigated Negative Declaration and Initial Study
- D: Proposed General Plan Amendment
- E: Proposed Pre-Zoning and Annexation

Tracy Desalination & Green Energy Project Location Map



**CITY OF TRACY
DRAFT MITIGATED NEGATIVE DECLARATION**

- Project Name: Tracy Desalination and Green Energy Project
- Project Location: The project site consists of approximately 241 acres located within the City's Sphere of Influence, immediately north of the Tracy City limits. The project site is bounded by Tracy Boulevard to the west, Arbor Avenue and industrial uses to the south, agricultural lands to the north, and the City's WWTP to the southeast. The project site is bisected by Sugar Road, which runs in an east-west direction. The project site includes Assessor's Parcel Numbers 212-160-05, 212-160-09 and 212-160-11.
- Project Description: The primary purpose of the proposed project is to construct and operate an approximately 1,200,000 gallon per day (gpd) desalination plant (Plant) in the City of Tracy. The desalination plant would process treated effluent currently generated by the Tracy WWTP to a quality that is suitable for discharge into the Sacramento San Joaquin Delta (Delta) and meets State standards for water quality discharge. The Tracy WWTP currently processes approximately 9,000,000 gpd of effluent. The WWTP discharges this treated effluent directly into the Delta. The WWTP's discharge currently contains salt in amounts that exceed the Delta salinity standards. Salinity in water is generally measured in Total Dissolved Solids (TDS). Project implementation would effectively remove salt from approximately 13 percent of the WWTP's effluent. The treated desalination water would then be blended back into the remaining WWTP effluent prior to discharge into the Delta. The newly blended and treated effluent will have lower salinity and will assist the City in compliance with all applicable Delta salinity standards.
- The operation of the desalination plant will require a heat energy supply. The proposed project includes a biomass cogeneration energy production component. The biomass energy component would utilize available sources of biomass, primarily agricultural residuals and urban wood waste, within a 50-mile radius of the site. The biomass energy component would generate approximately 16.4 megawatt-hours (MW/hr) of electricity, 15 MW/hr of which would be distributed and sold to the local energy grid. The Plant will have one 250 MMBTU/hr igniter that will operate approximately 60 hours per year. The burner will operate for approximately 14 hours per start-up with an expected start-up occurring every 2.5-3 months.
- The proposed project also includes actions to annex the entire project site into the City of Tracy, a General Plan Amendment to designate the entire project site Industrial, and pre-zoning of the site to Light Industrial (M1). The project would also involve three

agreements between the City of Tracy and Tracy Renewable Energy LLC (TRE) related to the project. These agreements include a land lease/purchase agreement, a power purchase agreement and a water treatment agreement.

Project Proponent: Tracy Renewable Energy LLC
860 Kennedy Place
Tracy, CA 95377

Finding: Although the proposed project could potentially have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described in the attached Initial Study have been added to the project.

INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION

FOR THE

TRACY DESALINATION AND GREEN ENERGY PROJECT

SCH# _____

DECEMBER 2011

Prepared for:

City of Tracy
Department of Development and Engineering Services
333 Civic Center Plaza
Tracy, CA 95676

Prepared by:

De Novo Planning Group
4630 Brand Way
Sacramento, CA 95819
(916) 949-3231

D e N o v o P l a n n i n g G r o u p

A Land Use Planning, Design, and Environmental Firm

INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION

FOR THE

TRACY DESALINATION AND GREEN ENERGY PROJECT

SCH# _____

DECEMBER 2011

Prepared for:

City of Tracy
Department of Development and Engineering Services
333 Civic Center Plaza
Tracy, CA 95676

Prepared by:

De Novo Planning Group
4630 Brand Way
Sacramento, CA 95819
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INITIAL STUDY CHECKLIST

PROJECT TITLE

Tracy Desalination and Green Energy Project

LEAD AGENCY NAME AND ADDRESS

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

CONTACT PERSON AND PHONE NUMBER

Scott Claar, Associate Planner
Development and Engineering Services Department
City of Tracy
(209) 831-6400

PROJECT SPONSOR'S NAME AND ADDRESS

Tracy Renewable Energy LLC
860 Kennedy Place
Tracy, CA 95377

PURPOSE OF THE INITIAL STUDY

An Initial Study (IS) is a preliminary analysis which is prepared to determine the relative environmental impacts associated with a proposed project. It is designed as a measuring mechanism to determine if a project will have a significant adverse effect on the environment, thereby triggering the need to prepare a full environmental Impact Report (EIR). It also functions as an evidentiary document containing information which supports conclusions that the project will not have a significant environmental impact or that the impacts can be mitigated to a "Less Than Significant" or "No Impact" level. If there is no substantial evidence, in light of the whole record before the agency, that the project may have a significant effect on the environment, the lead agency shall prepare a Negative Declaration (ND). If the IS identifies potentially significant effects, but: (1) revisions in the project plans or proposals would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur, and (2) there is no substantial evidence, in light of the whole record before the agency, that the project as revised may have a significant effect on the environment, then a Mitigated Negative Declaration (MND) shall be prepared.

This Initial Study has been prepared consistent with CEQA Guidelines Section 15063, to determine if the proposed Tracy Desalination and Green Energy Project (project) may have a significant effect upon the environment. This Initial Study also includes an analysis of the project's consistency with the Tracy General Plan and General Plan EIR to determine if the project would result in environmental impacts that were not addressed in the Tracy General Plan and General Plan EIR. Based upon the findings and mitigation measures contained within this report, a Mitigated Negative Declaration (MND) will be prepared.

PROJECT LOCATION AND SETTING

PROJECT LOCATION

The project site consists of approximately 237 acres located within the City's Sphere of Influence, immediately north of the Tracy City limits. The project site includes APN 212-160-05 (197 acres), APN 212-160-09 (27 acres), and a 13-acre area of APN 212-160-11.

The project site is bounded by Tracy Boulevard to the west, Arbor Avenue and industrial uses to the south, and agricultural lands to the north. Agra Trading, a biomass fuel recycling and trading company, is located on a portion of the project site. The site is bisected by West Sugar Road, which runs in an east-west direction. The project's regional location is shown in Figure 1 and the project area and site boundary are shown in Figure 2.

EXISTING SITE USES

The southwestern portion of the project site is currently in active agricultural production. The northern half of the project site consists of asphalt paved drying beds that were historically used for drying sugar beets. These drying beds are currently used for storage of biomass, silage and for drying agricultural byproducts. The project site was previously used by the Holly Sugar Company as a syrup production facility, and all that remains of the previous structures are the building foundations. An irrigation canal, used to convey non-potable water, is located between the drying beds and an agricultural drainage ditch is located along the northern boundary of the project site. The project site is within an area of land owned by the City of Tracy, locally known as the Holly Sugar property.

SURROUNDING LAND USES

The northern and western boundaries of the project site are adjacent to agricultural lands in active agricultural production. The southern boundary of the project site is adjacent to primarily industrial uses with some commercial uses. These uses include, but are not limited to a mini-storage facility, an equipment rental facility, and automotive repair facilities. The City of Tracy Wastewater Treatment Plant (WWTP) is located immediately southeast of the project site. Lands to the east of the project site are currently used for industrial operations. An existing rail spur is located immediately east of the project site and terminates on the project site.

GENERAL PLAN AND ZONING DESIGNATIONS

The majority of the project site is designated as Agricultural (AG) by both the City of Tracy General Plan Land Use Designations Map and the San Joaquin County General Plan Land Use Designations Map. A portion of APN 212-160-11, located on 13 acres in the southeast portion of the site is designated Industrial by the City and General Industrial by the County General Plan Land Use Maps.

The County zoning designation for the majority of the project site is Agriculture (AG-40), and General Industrial for the 13 acres southeast portion of the site. The project site does not have

an assigned zoning designation from the City of Tracy, as the project site is currently located outside of the City limits.

PROJECT DESCRIPTION

OVERVIEW

The following discussion provides an overview of the various components of the proposed project. Each project component and action is described in greater detail below.

The primary purpose of the proposed project is to construct and operate an approximately 1,200,000 gallon per day (gpd) desalination plant (Plant) in the City of Tracy. The desalination plant would process treated effluent currently generated by the Tracy WWTP to a quality that is suitable for discharge into the Sacramento San Joaquin Delta (Delta) and meets State standards for water quality discharge. The Tracy WWTP currently processes approximately 9,000,000 gpd of effluent. The WWTP discharges this treated effluent directly into the Delta. The WWTP's discharge currently contains salt in amounts that exceed the Delta salinity standards. Salinity in water is generally measured in Total Dissolved Solids (TDS). Project implementation would effectively remove salt from approximately 13 percent of the WWTP's effluent. The treated desalination water would then be blended back into the remaining WWTP effluent prior to discharge into the Delta. The newly blended and treated effluent will have lower salinity and will assist the City in compliance with all applicable Delta salinity standards.

The operation of the desalination plant will require a heat energy supply. The proposed project includes a biomass cogeneration energy production component. The biomass energy component would utilize available sources of biomass, primarily agricultural residuals and urban wood waste, within a 50-mile radius of the site. The biomass energy component would generate approximately 16.4 megawatt-hours (MW/hr) of electricity, 15 MW/hr of which would be distributed and sold to the local energy grid. The Plant will have one 250 MMBTU/hr igniter that will operate approximately 60 hours per year. The burner will operate for approximately 14 hours per start-up with an expected start-up occurring every 2.5-3 months.

The proposed project also includes actions to annex the entire project site into the City of Tracy, a General Plan Amendment to designate the entire project site Industrial, and pre-zoning of the site to Light Industrial (M1). The project would also involve three agreements between the City of Tracy and Tracy Renewable Energy LLC (TRE) related to the project. These agreements include a land lease/purchase agreement, a power purchase agreement and a water treatment agreement. These three agreements are described in greater detail below.

Land Lease/Purchase Agreement

The land lease/purchase agreement is an agreement to lease or sell up to 237 acres of City property to TRE. Approximately 13 acres would be leased or sold for construction of the biomass plant and water treatment facilities. This site is the property on the corner of Holly Drive and Arbor Drive, APN 212-160-11. This site is currently zoned Industrial and is vacant industrial land.

Approximately 80 acres would be leased or sold for fuel storage. This site is the property on the corner of Tracy Boulevard and Sugar Road, and includes portions of APNs 212-160-09 and 212-160-05. This site is currently zoned Agriculture and is currently used for biomass storage. The current tenants, Agra Trading and the Arnaudo Brothers, lease this property from the City. Agra Trading is interested in leasing this property for a longer term, either directly or as a sub-lease to TRE.

Approximately 144 acres would be leased or sold for a solar thermal project. This site is located between Holly Drive and Tracy Boulevard, and south of Sugar Road. This site includes a portion of APN 212-160-05. This site is currently zoned Agriculture and is currently an alfalfa field. The timing of the need for the solar thermal component of the project will be determined at a later date, after the biomass plant is in operation. The solar thermal component would provide an additional heat source for the project.

Power Purchase Agreement

The agreement will provide for the City to purchase up to 1 megawatt of electrical power generated by TRE. This power would be transmitted to the City's wastewater treatment plant (WWTP) by direct connection and would not utilize any PG&E facilities. The power would meet the electrical demand of the Tracy WWTP. It is anticipated that this power would be purchased at less than market rates to provide a benefit to City ratepayers.

Water Treatment Agreement

TRE will process up to 1.2 million gallons per day of City wastewater and return approximately 80% of this amount as distilled water. The distilled water would be used to dilute the City WWTP effluent in order to reduce salinity.

SYSTEM DESCRIPTION

The City of Tracy has recognized a technology developed by CST as an economically viable and commercially available solution to the salinity problem at the City's WWTP. The CST SteamBoy® process will intercept the effluent from the WWTP before it reaches the Delta and process it to near potable standards. The cleaned water will be returned to the WWTP to be blended with remaining WWTP effluent thereby reducing the TDS concentration.

In addition to purifying water from the WWTP, the project will also generate approximately 16.4 MW/hr of electricity, of which 15 MW/hr will be distributed to the grid where it will be purchased by the City of Tracy and a joint powers authority (JPA), which would include the Banta Carbona Irrigation District (BCID) and/or other entities. Power Purchase Agreements are currently being negotiated with both the City and JPA for the electrical output as well as an off-take agreement with the City for processing the WWTP effluent.

The Plant will deliver the electricity from a substation on the property to a 115 kva power line that crosses the project site. As of the date of this document preparation, the application to deliver the power to the line has been submitted to the California Independent System Operators (CAISO). CAISO is a non-profit public benefit corporation charged with operating the

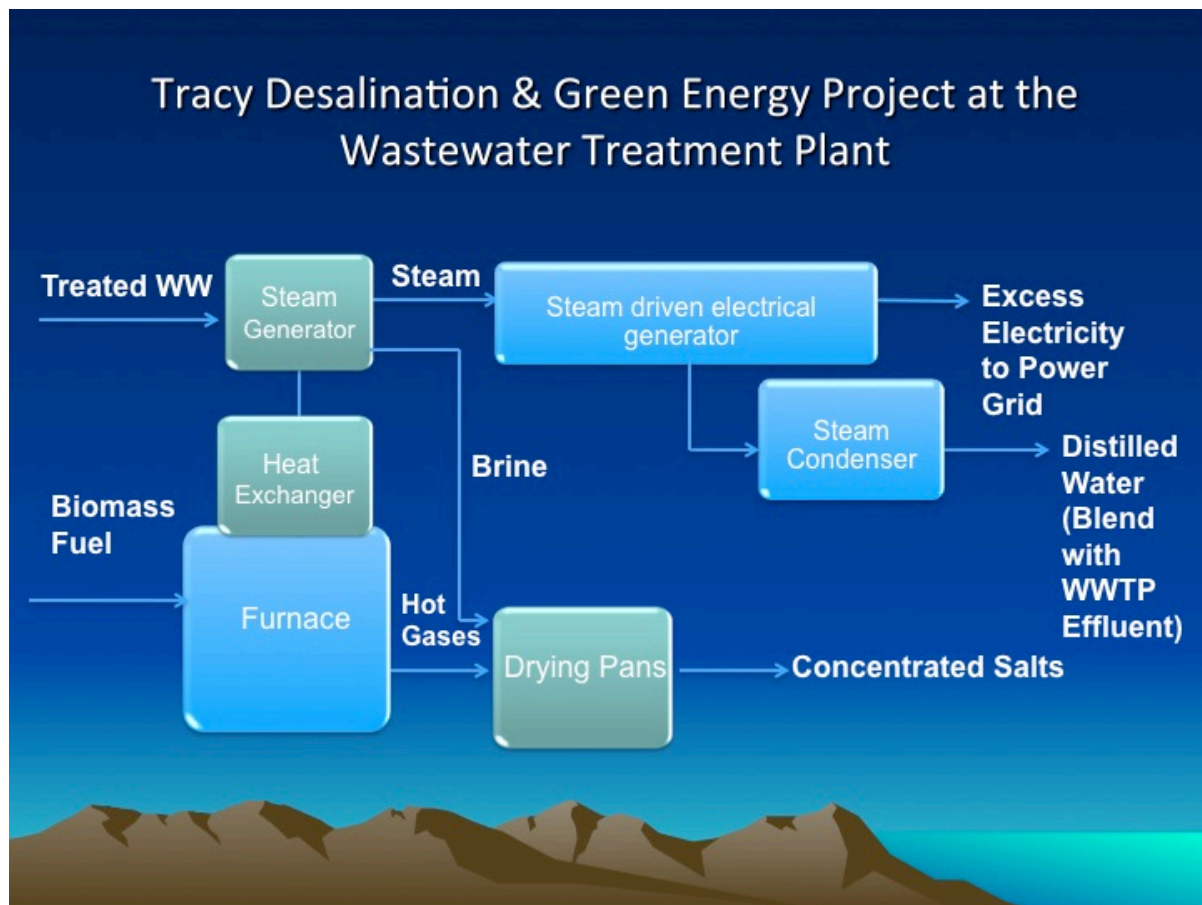
majority of California's high-voltage wholesale power grid. The project applicant will contract with Pacific Gas and Electric (PG&E) to deliver the electricity needs of the Plant, both during construction and initial operation as well as the delivery of the electricity generated by the Plant to the City and JPA.

The Plant will be designed using the latest commercially available components and equipment. The Plant will be very much like a modern biomass facility with the exception of the SteamBoy® steam generator system that allows for the use of the WWTP effluent as feed water. This advantage brings a new element to the production of electricity whereas conventional biomass plants consume large amounts of water for the production of electricity, the proposed Plant will produce large amounts of clean water in the process of making electricity.

A byproduct of the desalination process will be salt extracted from the treated effluent. It is anticipated that up to 1,400 tons per year of solid salt would be generated during project operations. This solid salt would be stored on-site in salt storage units, and would be removed from the project site via truck or rail on a monthly basis and delivered to commercial users and/or producers of salt and salt products.

THE CST PROCESS

The CST Plant will produce clean water and on-demand electricity by processing biomass fuel. The biomass is fed into the combustion unit where it gives up its heat to the heat exchanger. The heat exchanger transfers the combustion heat to a heat transfer oil that is continually circulated through the SteamBoy® steam generators. The SteamBoy® steam generators will produce the pressurized steam that is then directed to the electric generation units which produce electricity. The exhaust steam is then directed to either the cooling towers for condensation or to the drying pans where its heat is used to dry the solids that are extracted from the treated wastewater. This process is depicted in Exhibit 2-1 below.

EXHIBIT 2-1

The heart of the CST system is the SteamBoy® steam generators. The patent pending design of the SteamBoy® steam generators allow for the use of wastewater as a feed water source without the normal fouling associated with standard boilers. The SteamBoy® steam generators have the ability to separate the water from the solids in a way that allows for the solids to be removed easily from the boilers. The resulting distilled water is allowed to leave the top of the boilers as clean pressurized steam that is directed to electrical generation units before it is condensed back into distilled water. The distilled water will be returned to the WWTP. The process is continuous and can process the treated water to near potable clean water standards. CST SteamBoy steam generators are built for CST by Victory Energy, Inc of Collinsville, Oklahoma. All SteamBoy® products are inspected and ASME (American Society of Mechanical Engineers) certified. The CST biomass burner system is ultra clean firing. Recent source testing of the CST system at the Musco Olive Plant showed that the emissions from the CST system are the lowest of any bio-mass fired system in California.

FUEL SUPPLY

The Plant would burn woody biomass material as a heat source for project operations. It is anticipated that up to 200,000 bone-dry tons (BDT) of woody biomass fuel would be consumed

by the project on an annual basis. Biomass fuel used by the proposed project would come from four distinct biomass fuel sources:

- Agricultural byproducts, primarily almond and walnut shells;
- Urban/industrial wood waste;
- Tree service debris; and
- Orchard removals and prunings.

The project applicant estimates that the fuel mix will consist of approximately 30% almond shells, 30% walnut shells, and 40% wood (urban/industrial, tree service debris, and orchard removals/prunings).

Agricultural byproducts include nutshells (primarily almond and walnut), fruit pits and grape pomace generated during the processing of agricultural products.

Urban/Industrial wood waste consists of used lumber, trim, shipping pallets and other wood debris from construction and demolition activities and commercial and industrial wood recycling activities.

Tree service debris includes pruned branches, stumps and whole trees from municipal street and park maintenance activities, and well as materials from private sector tree removal and pruning services.

Orchard removals and prunings are generated on an annual or semi-annual basis throughout the project region. Mature orchards are regularly removed as crop yields decrease, and are replaced with young orchard stock or alternative orchard species.

All of the biomass fuel materials described above would be generated within a 50-mile radius of the project site. The project applicant has commissioned the preparation of a Biomass Fuel Survey, which indicates that there is a supply of 1.6 million dry tons annually of existing biomass fuel within a 50-mile radius of the proposed project.

The fuel supplies identified above represent existing fuel supplies that are currently generated and/or would continue to be generated regardless of the demand for biomass fuel generated by the proposed project. Project implementation would not result in the generation of additional biomass fuels or result in increased activities such as tree removal, construction/demolition, or increased generation of agricultural byproducts.

Forest materials such as slash, thinnings, or other in-forest biomass materials would not be used as a fuel supply for the proposed project. The proposed project would not burn wastes and residues such as animal wastes, remains or tallow, food wastes, recycled cooking oils, pure vegetable oils, or sludge derived from organic matter. Additionally, the proposed project would not burn tires, railroad ties or plastic, and the use Authority to Construct (ATC) permit for this facility, issued by the San Joaquin Valley Air Pollution Control District (SJVAPCD) will be

conditioned accordingly. Natural gas would be the only non-biogenic fuel used as necessary for starting up and shutting down the Plant and for flame stabilization.

FUEL DELIVERY

As described above, all biomass fuel for the proposed project would be procured from within a 50-mile radius of the project site. Fuel would be delivered to the project site via truck. In the future, there is the potential that rail may also be utilized for fuel deliveries.

It is anticipated that approximately 20 truck trips per day would be generated by fuel deliveries to the project site. Trucks delivering fuel to the project site would utilize eastbound and westbound Interstate 205, and exit on North MacArthur Drive to access the site via Arbor Avenue as shown on Figure 2.

All of the biomass fuel for the proposed project would be delivered by Agra Trading, which is an existing biomass fuel recycler and distributor, located on the project site. Fuel delivered from Agra Trading would either be delivered via truck, or via an on-site electric conveyor belt, which may be installed as a future phase of the proposed project.

FUEL STORAGE

The proposed project includes plans to store up to 200,000 BDT of woody biomass material in the northwestern portion of the project site where the Agra Trading operations currently occur. The biomass fuel would be stored in open piles and would be transported to the boiler on a continuous basis via truck and heavy machinery. Biomass fuel is currently stored on the site by Agra Trading, and project implementation is not anticipated to result in significant changes to the existing onsite biomass fuel storage volumes or practices.

UTILITIES

The project site currently has direct access to a 115 Kva power line that would be used for the distribution of excess electricity back to the local electrical grid. The site also currently has a 6-inch medium pressure natural gas line, which will supply natural gas to be used during startup of the boiler and for flame stabilization during operation. Vehicular access to the site would be provided via Arbor Avenue, located along the southeastern boundary of the site.

PROPOSED STRUCTURES

The site plan for the proposed Plant is shown in Figure 3. Figure 3 shows each proposed structure and component of the project and depicts the location and orientation of each Plant component.

SOLAR THERMAL ARRAYS

The proposed project includes plans for an alternate thermal heat energy supply that may be implemented in the future. While it is not currently known if solar thermal arrays would be used to supply thermal heat and energy for the proposed project, this future alternative is considered reasonably foreseeable, and is therefore addressed in this environmental document.

Approximately 100 acres of land, located immediately west of the Plant and south of the fuel storage area may be used to develop a solar thermal array system to provide heat and energy for the desalination plant. The solar thermal array would be constructed of approximately 4,011 mirrors that would direct sunlight and heat to a receiver that would heat the heat transfer oil, which would then be directed to the steam generators to fuel the desalination process. Each mirror would be approximately 17' wide and 20' long, and would be oriented along 320' rows. The maximum mirror height would be 10'.

REQUESTED ENTITLEMENTS AND OTHER APPROVALS

The City of Tracy will be the Lead Agency for the proposed project, pursuant to the State Guidelines for Implementation of the California Environmental Quality Act (CEQA), Section 15050.

This document will be used by the City of Tracy to take the following actions:

- Adoption of the Mitigated Negative Declaration (MND)
- Adoption of the Mitigation Monitoring and Reporting Program (MMRP)
- Approval of a General Plan Amendment to the Industrial (I) land use designation
- Approval of site prezoning / zoning to Light Industrial (M-1)
- Site Annexation to the Tracy City Limits
- Development review
- Land sale or lease agreement between the City of Tracy and CST
- Power purchase agreement between the City of Tracy and CST
- Water treatment agreement between the City of Tracy and CST
- Other related agreements

The following agencies may be required to issue permits or approve certain aspects of the proposed project:

- San Joaquin Local Agency Formation Commission (LAFCO) - Approval of annexation request.
- Central Valley Regional Water Quality Control Board (CVRWQCB) - Storm Water Pollution Prevention Plan (SWPPP) approval prior to construction activities.
- San Joaquin Valley Air Pollution Control District (SJVAPCD) - Approval of construction-related air quality permits and the Authority to Construct (ATC) permit.

- San Joaquin Council of Governments (SJCOG)- Approval of project application to include project within the boundaries of the San Joaquin County Multi-Species Habitat, Conservation, and Open Space Plan (SJMSCP).

PROJECT GOALS AND OBJECTIVES

The City of Tracy has identified the following goals and objectives for the proposed project:

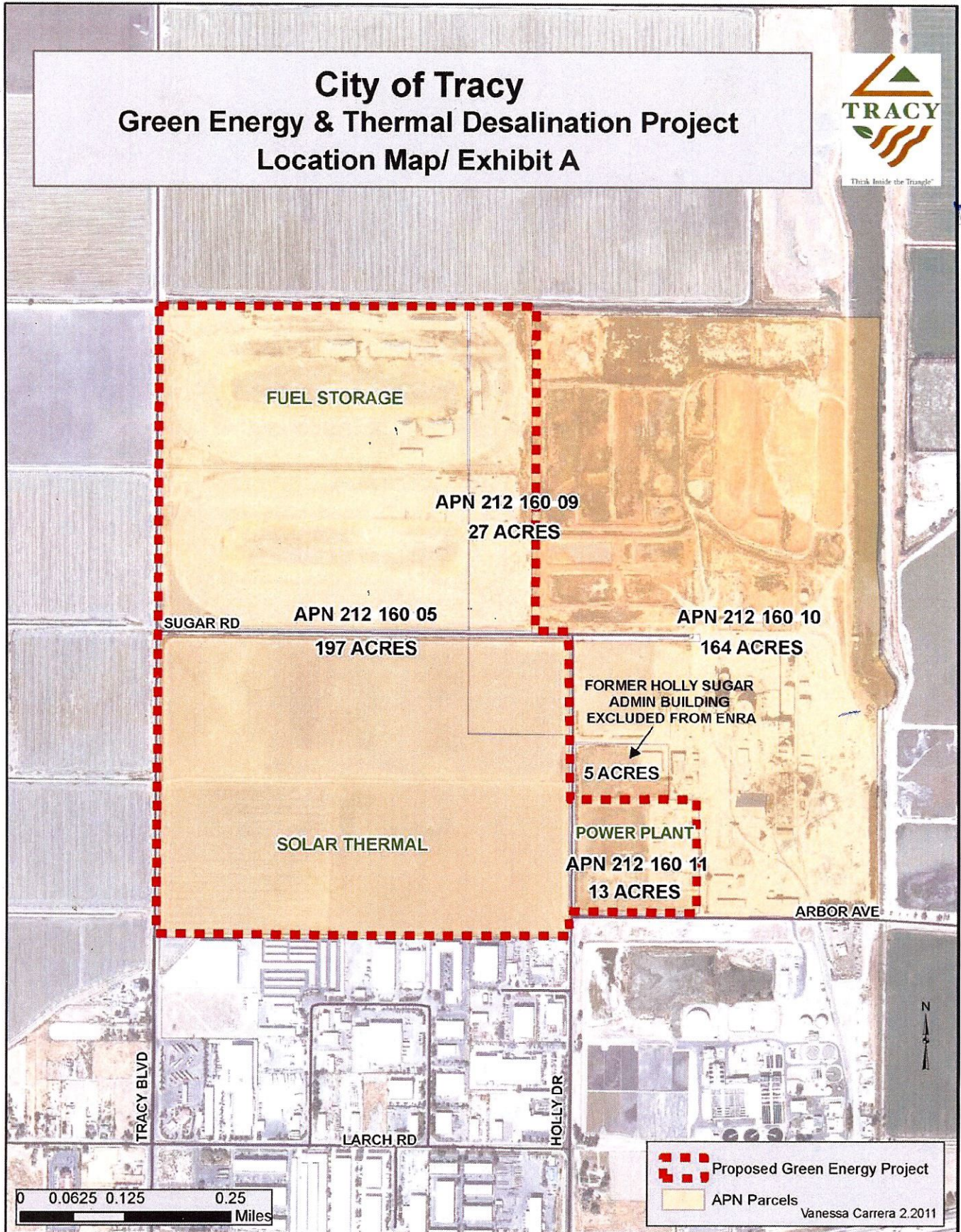
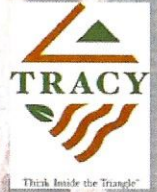
1. Develop and operate a desalination plant that will effectively remove salt from treated effluent generated by the Tracy WWTP to a level that will facilitate compliance with Delta salinity standards.
2. Develop a supply of renewable energy that is consistent with California's AB 32 Scoping Plan and California's Renewables Portfolio Standard.
3. Effectively utilize existing sources of biomass waste generated within 50 miles of the City of Tracy as fuel for the generation of a renewable energy supply.



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City of Tracy

Green Energy & Thermal Desalination Project

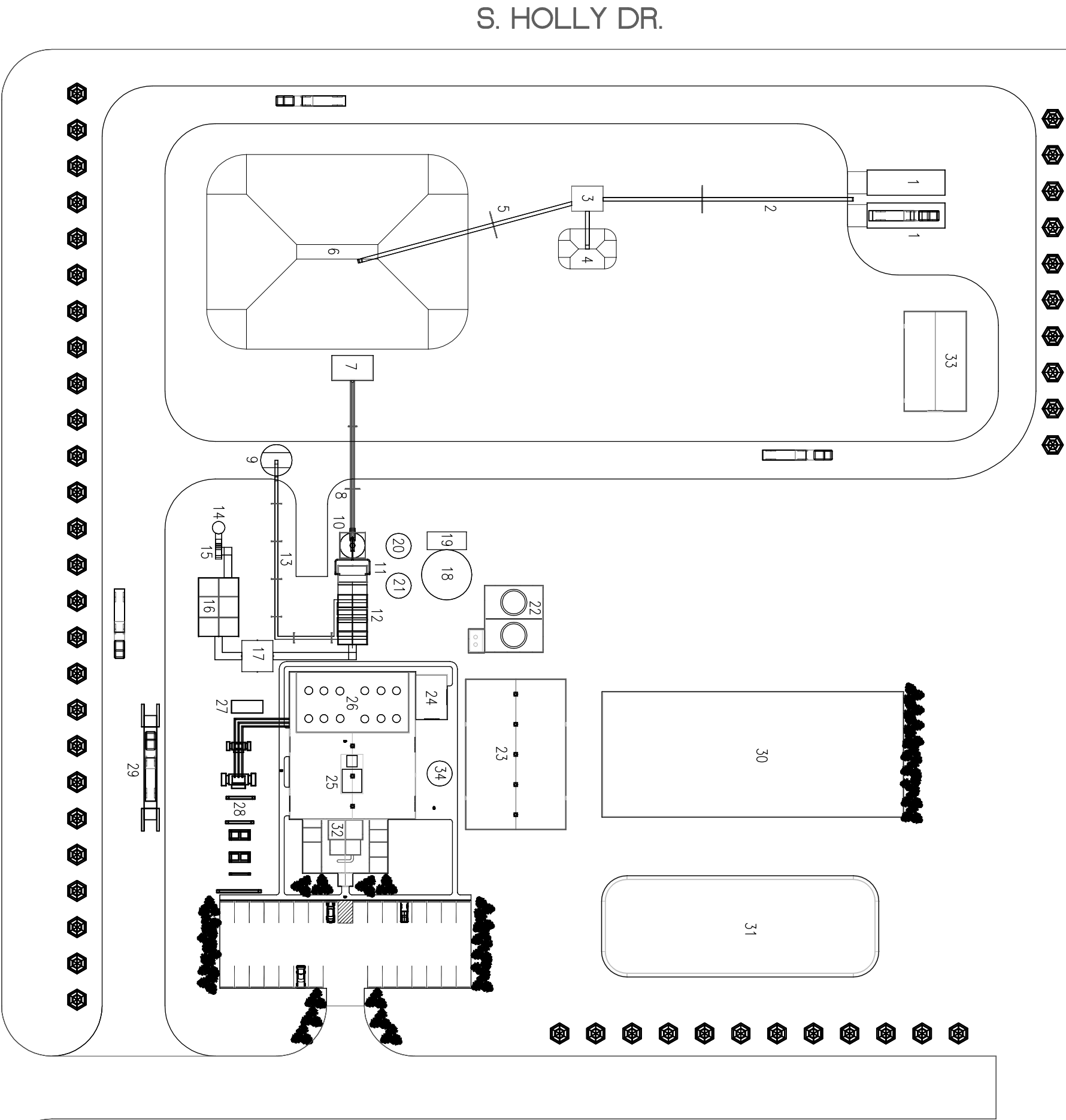
Location Map/ Exhibit A



 Proposed Green Energy Project
 APN Parcels
Vanessa Carrera 2.2011

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FIGURE 3



LEGEND

1. TRUCK UNLOADING STATION
2. RECEIVING CONVEYOR
3. TRANSFER HOUSE
4. OVERS PILE
5. STACKOUT CONVEYOR
6. FUEL STORAGE PILE
7. FUEL CONVEYOR LOADING PIT
8. MAIN FUEL CONVEYOR
9. ASH SILO
10. FUEL FEED SILO
11. FLUIDIZED BED HOT OIL HEATER #1
12. FLUIDIZED BED HOT OIL HEATER #2
13. FLYASH CONVEYOR
14. STACK
15. ID FAN
16. BAGHOUSE
17. SCR
18. FIRE/SERVICE WATER STORAGE TANK
19. FIRE PUMP HOUSE
20. HTF STORAGE TANK
21. FEEDWATER STORAGE TANK
22. COOLING TOWER
23. DRYING PANS
24. WORK SHOP
25. STEAM TURBINE GENERATOR
26. BOILERS #1-#12
27. DIESEL GENERATOR
28. SWITCHYARD
29. TRUCK SCALE
30. DRYING BEDS
31. RETENTION BEDS
32. OFFICE/ADMIN AREA
33. MAINTENANCE SHOP
34. PRODUCT WATER STORAGE TANK

PRELIMINARY
NOT FOR CONSTRUCTION

REV.	DESCRIPTION	BY	CHK	APP'D	DATE
B	ISSUED FOR REVIEW	JLS	LJR	RFS	09/01/11
A	ISSUED FOR REVIEW	JLS	LJR	RFS	08/26/11

COMBINED SOLAR TECHNOLOGIES, INC.

TRACY DESALINATION PLANT

DRAWN BY:	APP:	DESIGNED BY:	DMW
CHECKED BY:	JLS	LEAD ENGR:	JLS



PROJECT NO.	1101001
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DWG. TITLE
SITE GENERAL ARRANGEMENT
SINGLE COMBUSTOR/TURBINE

DWG. NO. GA101B

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ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

	Aesthetics		Agriculture and Forest Resources		Air Quality
	Biological Resources		Cultural Resources		Geology/Soils
	Greenhouse Gasses		Hazards and Hazardous Materials		Hydrology/Water Quality
	Land Use/Planning		Mineral Resources		Noise
	Population/Housing		Public Services		Recreation
	Transportation/Traffic		Utilities/Service Systems		Mandatory Findings of Significance

DETERMINATION:

On the basis of this initial evaluation:

	I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
X	I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
	I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
	I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
	I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature

Date

EVALUATION INSTRUCTIONS:

- 1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
- 4) "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, "Earlier Analyses," may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances).

- Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
 - 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
 - 9) The explanation of each issue should identify:
 - a) The significance criteria or threshold, if any, used to evaluate each question; and
 - b) The mitigation measure identified, if any, to reduce the impact to less than significance

EVALUATION OF ENVIRONMENTAL IMPACTS:

In each area of potential impact listed in this section, there are one or more questions which assess the degree of potential environmental effect. A response is provided to each question using one of the four impact evaluation criteria described below. A discussion of the response is also included.

- Potentially Significant Impact. This response is appropriate when there is substantial evidence that an effect is significant. If there are one or more "Potentially Significant Impact" entries, upon completion of the Initial Study, an EIR is required.
- Less than Significant With Mitigation Incorporated. This response applies when the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact". The Lead Agency must describe the mitigation measures and briefly explain how they reduce the effect to a less than significant level.
- Less than Significant Impact. A less than significant impact is one which is deemed to have little or no adverse effect on the environment. Mitigation measures are, therefore, not necessary, although they may be recommended to further reduce a minor impact.
- No Impact. These issues were either identified as having no impact on the environment, or they are not relevant to the Project.

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ENVIRONMENTAL CHECKLIST

This section of the Initial Study incorporates the most current Appendix "G" Environmental Checklist Form, contained in the CEQA Guidelines. Impact questions and responses are included in both tabular and narrative formats for each of the 18 environmental topic areas.

I. AESTHETICS -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Have a substantial adverse effect on a scenic vista?			X	
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				X
c) Substantially degrade the existing visual character or quality of the site and its surroundings?			X	
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?		X		

RESPONSES TO CHECKLIST QUESTIONS

Response a): Less Than Significant. The southern half of the project site is currently in active agricultural production. The northern half of the project site is occupied by Agra Trading, and contains open storage piles of biomass fuel and other industrial uses to support the existing biomass storage and distribution operations. An irrigation canal, used to convey non-potable water, is located along the northern boundary of the project site. The project site is within an area of land owned by the City of Tracy, known as the Holly Sugar property.

The project site is bounded by Tracy Boulevard to the west, Arbor Avenue and industrial uses to the south, and agricultural lands to the north. The site is bisected by West Sugar Road, which runs in an east-west direction.

The northern and western boundaries of the project site are adjacent to agricultural lands in active agricultural production. The southern boundary of the project site is adjacent to primarily industrial uses with some commercial uses. These uses include, but are not limited to a mini-storage facility, an equipment rental facility, and automotive repair facilities. The City of Tracy Wastewater Treatment Plan (WWTP) is located immediately southeast of the project site. Lands to the east of the project site are currently used for industrial operations, including biomass fuel storage and distribution. An existing rail spur is located immediately east of the project site and terminates on the project site.

The project site is not designated as a scenic vista by the City of Tracy General Plan or the San Joaquin County General Plan, nor does it contain any unique or distinguishing features that would qualify the site for designation as a scenic vista.

Implementation of the proposed project would not significantly change the existing visual character of the site, as much of the project site and the areas immediately adjacent to the site are used for agricultural and industrial purposes. Impacts related to a change in visual character are largely subjective and very difficult to quantify. People have different reactions to the visual quality of a project or a project feature, and what is considered “attractive” to one viewer may be considered “unattractive” to other viewers. The areas surrounding the City of Tracy to the north consist primarily of agricultural lands and industrial lands. Agricultural lands provide visual relief from urban and suburban developments, and help to define the character of a region. The loss of agricultural lands can have a cumulative impact on the overall visual character and quality of a region.

While the project would result in the removal of some agricultural lands in the project region, and the construction of the biomass power desalination facility, there are numerous industrial developments and activities located in the immediate vicinity of the project site, including the City’s Wastewater Treatment Plant and the Agra Trading biomass fuel recycling and trading company. Implementation of the proposed project would introduce additional industrial development to the project area, and would be generally consistent with the surrounding industrial development. Therefore, this impact is considered **less than significant**.

Response b): Less Than Significant. As described in the Tracy General Plan EIR, there are two Officially Dedicated California Scenic Highway segments in the Tracy Planning Area, which extend a total length of 16 miles. The first designated scenic highway is the portion of I-580 between I-205 and I-5, which offers views of the Coast Range to the west and the Central Valley’s urban and agricultural lands to the east. Part of this scenic highway passes through the existing City limits. The second scenic highway is the portion of I-5 that starts at I-205 and continues south to Stanislaus County, which allows for views of the surrounding agricultural lands and the Delta-Mendota Canal and California Aqueduct.

In addition to State-designated scenic highways, the Scenic Highway Element of the 1978 San Joaquin County General Plan designated the seven-mile portion of Corral Hollow Road that runs southwest from I-580 to the County line as a scenic road.

The project site is not visible from any of the above-referenced scenic highways. Development of the proposed project would not result in the removal of any trees, rock outcroppings, or buildings of historical significance, and would not result in changes to any of the viewsheds from the designated scenic highways in the vicinity of the City of Tracy. There is **no impact**.

Response c): Less than Significant. As described under Response a), above, the proposed project would add additional industrial uses to an area that currently contains numerous industrial uses. The proposed project would be visually compatible with the surrounding land

uses and would not significantly degrade the existing visual quality of the site or the surrounding area. This is a **less than significant** impact.

Response d): Less than Significant with Mitigation. Daytime glare can occur when the sunlight strikes reflective surfaces such as windows, vehicle windshields and shiny reflective building materials. The proposed Plant would introduce new structures into the project site, however, reflective building materials are not proposed for use in the project, and as such, the Plant would not result in increases in daytime glare.

However, as described in the project description, the proposed project may involve the installation of a solar array in the western portion of the site in the future, in order to provide an alternate source of thermal heat. The parabolic mirrors would focus the sun's rays on the heat collection element of the solar array system, which is a pipe located at the focal point of the parabola. The parabolic shape of the mirrors would cause the rays to be reflected directly onto the side of the heat collection element facing the mirrors. Thus, the potential for glare at offsite locations would be limited to stray reflections that were not focused on the heat collection element of the solar array.

Secondary reflections that could occur between the sun-reflecting mirrors and off-site locations would be reduced to a thin line, due to the mirrors' extruded parabolic shape. The solar array field would be oriented in a north-south direction, and the mirrors would rotate in an east-west direction to track the sun as it moves across the sky during the day. As a result there is no potential for reflection or glare off of the solar mirrors to the north or south of the project site. Glare-producing reflections from the solar array mirrors would only be possible when the sun's position in the sky is behind the viewer. The sun's position in the sky is a function of both the time of day and the time of year. The proposed solar mirrors would not exceed 10 feet in height, and would be specifically designed and engineered to direct sunlight directly to the heat collection element. There exists the limited potential for glare from the mirror arrays to stray onto parcels located immediately east and west of the project site. Lands to the east and west of the project site are primarily agricultural and industrial, and there are no residences or other sensitive receptors located to the east or west of the project site. Due to the limited potential for stray glare to leave the project site, and the lack of sensitive receptors in the project vicinity, this is considered a **less than significant** impact.

The project would not result in significant increases in the number of vehicles traveling to the project site at any given time. It is estimated that a maximum of 20 additional truck trips per day may be generated by the proposed project, and that the project would result in the need to add up to 28 employees split between rotating shifts. The small increase in the number of vehicles accessing the project site as a result of project approval would not result in a significant increase in daytime glare from vehicle windshields.

The newly proposed structures for the Plant would include exterior lighting to allow for nighttime operations, worker safety and security. The installation and use of exterior lights may increase light spillage onto adjacent land uses and may increase ambient nighttime lighting in the project vicinity, which is considered to be a **potentially significant** impact.

The City of Tracy Standard Plan #154 establishes minimum requirements for light illumination. The City addresses light and glare issues on a case-by-case basis during project approval and typically adds requirements as a condition of project approval to shield and protect against light spillover from one property to the next. Title 10.08.4000 of the Tracy Municipal Code requires that the site plan and architectural package include the exterior lighting standards and devices, and be reviewed by the Development and Engineering Services Department.

The implementation of Mitigation Measure 1 requires the preparation of a lighting plan, which must demonstrate that exterior project lighting has been designed to minimize light spillage onto adjacent properties to the greatest extent feasible. The implementation of Mitigation Measure 1 would reduce this impact to a **less than significant** level.

Mitigation Measures

Mitigation Measure 1: *A lighting plan shall be prepared prior to the issuance of a building permit and installation of the project's exterior lighting. The lighting plan shall demonstrate that the exterior lighting systems have been designed to minimize light spillage onto adjacent properties to the greatest extent feasible. The lighting plan shall include the following:*

- *Design of site lighting and exterior building light fixtures to reduce the effects of light pollution and glare off of glass and metal surfaces;*
- *Lighting shall be directed downward and light fixtures shall be shielded to reduce upward and spillover lighting;*
- *Where it is not feasible to fully shield light fixtures from light pollution, the lighting shall be directed downward and of the minimum wattage and height suitable for illuminating the areas to be secured and exterior work areas for worker safety.*

II. AGRICULTURE AND FOREST RESOURCES: WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?		X		
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?			X	
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 1222(g)) or timberland (as defined in Public Resources Code section 4526)?				X
d) Result in the loss of forest land or conversion of forest land to non-forest use?				X
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?			X	

RESPONSES TO CHECKLIST QUESTIONS

Response a): Less than Significant with Mitigation. Approximately 93 acres of the project site is designated as Unique Farmland by the California Department of Conservation, and approximately 24 acres are designated as Prime Farmland. The southwestern portion of the project site, where the solar arrays may eventually be located, is currently in active agricultural production. Implementation of the proposed project may permanently remove approximately 117 acres of land from agricultural production if the solar array system is eventually installed. This is considered a **potentially significant** impact.

According to the City of Tracy General Plan, there are a total of 39,781 acres of land identified as Prime Farmland, Unique Farmland, Farmland of Statewide Importance and Farmland of Local Importance within the City's Planning Area, SOI and City limits combined. Of this amount, 4,890 acres are located within the City limits, 10,268 acres are within the SOI outside City limits, and 24,263 acres are located in the Tracy Planning Area outside the SOI. Farmland on the project site represents less than 0.3% of the important farmland within the City's Planning Area.

The City of Tracy General Plan identifies the project area as being within the City's 10-year planning horizon for the Sphere of Influence. Future development and urbanization of the project area was analyzed and considered in the City's General Plan EIR. Additionally, Chapter 13.28 of the Tracy Municipal Code requires the payment of Agricultural Mitigation Fees to offset the loss of prime and unique farmland. Fees collected under this program are pooled with other

local and regionally collected agricultural mitigation fees, and used to purchase agricultural conservation easements that protect prime and unique farmland within San Joaquin County in perpetuity. Mitigation Measure 2 requires the City to collect Agricultural Mitigation Fees, as required by Chapter 13.28 of the Tracy Municipal Code. This mitigation would help preserve County-wide agricultural resources, helping to preserve the agricultural economy and lessen long-term, cumulative impacts to Important Farmland. The implementation of the mitigation measure described below would reduce the severity of the agricultural resource impacts associated with implementation of the project to a **less than significant** level.

Mitigation Measures

Mitigation Measure 2: *Prior to site grading activities for the solar array component of the project, or any site grading activities that would disturb Prime Farmland or Unique Farmland, as defined by the California Department of Conservation, the City shall determine and require payment of the appropriate Agricultural Mitigation Fee to offset the loss of Prime and Unique Farmland, as specified in Chapter 13.28 of the Tracy Municipal Code.*

Response b): Less than Significant. The project site is not under a Williamson Act Contract, nor are any of the parcels immediately adjacent to the project site under a Williamson Act Contract. Therefore, implementation of the proposed project would not conflict with a Williamson Act Contract. The proposed project includes annexation of the site into the City of Tracy, designating the site Industrial (I) on the City's General Plan Land Use Map, and zoning/pre-zoning the site Light Industrial (M-1). Project approval would remove existing agricultural zoning designations from the project site. As such, the proposed project would not conflict with any agricultural zoning. This is a **less than significant** impact.

Response c) and d): No Impact. The project site is located in an area predominantly consisting of industrial development and limited agricultural operations. There are no forest resources on the project site or in the vicinity of the project site. Therefore, there is **no impact**.

Response e): Less than Significant. As described under Response (a) above, the proposed project is required to pay Agricultural Mitigation Fees, which would reduce potential impacts to agricultural resources and important farmlands to a less than significant level. Additionally, the project site contains existing industrial uses, and is adjacent to existing industrial uses. Project approval would not result in impacts to agricultural lands, beyond what has been described above under Response (a). This is a **less than significant** impact.

III. AIR QUALITY -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Conflict with or obstruct implementation of the applicable air quality plan?		X		
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?		X		
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?		X		
d) Expose sensitive receptors to substantial pollutant concentrations?			X	
e) Create objectionable odors affecting a substantial number of people?			X	

EXISTING SETTING

The project site is located within the boundaries of the San Joaquin Valley Air Pollution Control District (SJVAPCD). This agency is responsible for monitoring air pollution levels and ensuring compliance with federal and state air quality regulations within the San Joaquin Valley Air Basin (SJVAB) and has jurisdiction over most air quality matters within its borders. Prior to project implementation, the project is required to receive an Authority to Construct (ATC) from the SJVAPCD. The project is subject to the requirements of SJVAPD Rule 2201.

As stated under Section 1.0 of Rule 2201:

1.0 Purpose

The purpose of this rule is to provide for the following:

1.1 The review of new and modified Stationary Sources of air pollution and to provide mechanisms including emission trade-offs by which Authorities to Construct such sources may be granted, without interfering with the attainment or maintenance of Ambient Air Quality Standards; and

1.2 No net increase in emissions above specified thresholds from new and modified Stationary Sources of all nonattainment pollutants and their precursors.

2.0 Applicability

This rule shall apply to all new stationary sources and all modifications to existing stationary sources which are subject to the District permit requirements and after construction emit or may emit one or more affected pollutant. The requirements of this rule in effect on the date the application is determined to be complete by the Air Pollution Control Officer (APCO) shall apply to such application except as provided in Section 2.1.

RESPONSES TO CHECKLIST QUESTIONS

Responses a), b), c): Less than Significant with Mitigation. Air quality emissions would be generated during construction of the proposed project and during operation of the proposed project. Construction-related air quality impacts and operational air quality impacts are addressed separately below.

Construction-Related Emissions

The SJVAPCD's approach to analysis of construction impacts is to require implementation of effective and comprehensive control measures, rather than to require detailed quantification of emission concentrations for modeling of direct impacts. PM10 emitted during construction can vary greatly depending on the level of activity, the specific operations taking place, the equipment being operated, local soils, weather conditions, and other factors, making quantification difficult. Despite this variability in emissions, experience has shown that there are a number of feasible control measures that can be reasonably implemented to significantly reduce PM10 emissions from construction activities. The SJVAPCD has determined that compliance with Regulation VIII for all sites and implementation of all other control measures indicated in Tables 6-2 and 6-3 of the Guide for Assessing and Mitigating Air Quality Impacts (as appropriate) would constitute sufficient mitigation to reduce PM10 impacts to a level considered less than significant.

Construction would result in numerous activities that would generate dust. The fine, silty soils in the project area and often strong afternoon winds exacerbate the potential for dust, particularly in the summer months. Grading, leveling, earthmoving and excavation are the activities that generate the most particulate emissions. Impacts would be localized and variable. Construction impacts would last for a period of several months. The initial phase of project construction would involve the installation of the Plant and associated improvements such as parking area improvements and supporting infrastructure.

For the purposes of this analysis, it is assumed that the entire 13-acre Plant site would be constructed by 2012, and the future solar array fields of approximately 144 acres would be completed by 2015.

Construction activities that could generate dust and vehicle emissions are primarily related to grading and other ground-preparation activities in order to prepare the project site for the installation of the various structures and improvements proposed.

Control measures are required and enforced by the SJVAPCD under Regulation VIII. The SJVAPCD considers construction-related emissions from all projects in this region to be mitigated to a less than significant level if SJVAPCD-recommended PM10 fugitive dust rules and equipment exhaust emissions controls are implemented.

Implementation of Mitigation Measures 3 and 4, in addition to compliance with all applicable measures from SJVAPCD Rule VIII would reduce construction-related impacts associated with dust and construction vehicle emissions to a **less than significant** level.

Mitigation Measures

Mitigation Measure 3: *Prior to the commencement of grading activities, the City shall require the contractor hired to complete the grading activities to prepare a construction emissions reduction plan that meets the requirements of SJVAPCD Rule VIII. The construction emissions reductions plan shall be submitted to the SJVAPCD for review and approval. The City of Tracy shall ensure that all required permits from the SJVAPCD have been issued prior to commencement of grading activities. The construction emissions reduction plan should include the following requirements and measures:*

- *Properly and routinely maintain all construction equipment, as recommended by manufacturer's manuals, to control exhaust emissions.*
- *Shut down equipment when not in use for extended periods of time, to reduce exhaust emissions associated with idling engines.*
- *Encourage ride-sharing and use transit transportation for construction employees commuting to the project site.*
- *Use electric equipment for construction whenever possible in lieu of fossil fuel-powered equipment.*
- *Curtail construction during period of high ambient pollutant concentrations.*
- *Construction equipment shall operate no longer than eight cumulative hours per day.*
- *All construction vehicles shall be equipped with proper emission control equipment and kept in good and proper running order to reduce NOx emissions.*
- *On-road and off-road diesel equipment shall use aqueous diesel fuel if permitted under manufacturer's guidelines.*
- *On-road and off-road diesel equipment shall use diesel particulate filters if permitted under manufacturer's guidelines.*
- *On-road and off-road diesel equipment shall use cooled exhaust gas recirculation (EGR) if permitted under manufacturer's guidelines.*
- *Use of Caterpillar pre-chamber diesel engines or equivalent shall be utilized if economic and available to reduce NOx emissions.*
- *All construction activities within the project site shall be discontinued during the first stage smog alerts.*
- *Construction and grading activities shall not be allowed during first stage ozone alerts. (First stage ozone alerts are declared when ozone levels exceed 0.20 ppm for the 1-hour average.)*

Implementation of this mitigation shall occur during all grading or site clearing activities. The SJVAPCD shall be responsible for monitoring.

Mitigation Measure 4: *The following mitigation measures, in addition to those required under Regulation VIII of the SJVAPCD, shall be implemented by the Project's contractor during all phases of project grading and construction to reduce fugitive dust emissions:*

- *Water previously disturbed exposed surfaces (soil) a minimum of three-times/day or whenever visible dust is capable of drifting from the site or approaches 20 percent opacity.*
- *Water all haul roads (unpaved) a minimum of three-times/day or whenever visible dust is capable of drifting from the site or approaches 20 percent opacity.*
- *All access roads and parking areas shall be covered with asphalt-concrete paving or water sprayed regularly.*
- *Dust from all on-site and off-site unpaved access roads shall be effectively stabilized by applying water or using a chemical stabilizer or suppressant.*
- *Reduce speed on unpaved roads to less than 15 miles per hour.*
- *Install and maintain a trackout control device that meets the specifications of SJVAPCD Rule 8041 if the site exceeds 150 vehicle trips per day or more than 20 vehicle trips per day by vehicles with three or more axles.*
- *Stabilize all disturbed areas, including storage piles, which are not being actively utilized for construction purposes using water, chemical stabilizers or by covering with a tarp, other suitable cover or vegetative ground cover.*
- *Control fugitive dust emissions during land clearing, grubbing, scraping, excavation, leveling, grading or cut and fill operations with application of water or by presoaking.*
- *When transporting materials offsite, maintain a freeboard limit of at least six inches and over or effectively wet to limit visible dust emissions.*
- *Limit and remove the accumulation of mud and/or dirt from adjacent public roadways at the end of each workday. (Use of dry rotary brushes is prohibited except when preceded or accompanied by sufficient wetting to limit visible dust emissions and the use of blowers is expressly forbidden.)*
- *Remove visible track-out from the site at the end of each workday.*
- *Cease grading activities during periods of high winds (greater than 20 mph over a one-hour period).*
- *Asphalt-concrete paving shall comply with SJVAPCD Rule 4641 and restrict use of cutback, slow-sure, and emulsified asphalt paving materials.*

Implementation of this mitigation shall occur during all grading or site clearing activities. The SJVAPCD shall be responsible for monitoring.

Operational Emissions

Emissions generated from operation of the proposed biomass boiler would be the primary source of stationary emissions from the proposed project. The project is subject to the requirements of SJVAPCD Rule 2201. The project would also result in increased vehicle trips to the project site from employees and from trucks transporting biomass materials. As described in the project description, the project would generate up to 28 additional employee trips per day and 20 heavy truck trips per day for biomass fuel deliveries.

Emissions estimates for the proposed Plant were calculated based on actual source testing emissions that were monitored and collected from the Musco Olive Products 3 MW Biomass Fired System, which employs the exact same technology as that proposed for the project. The Musco emissions tests were collected in April 2011, and have been verified by the SJVAPCD. The emissions levels for the Musco Plant were used as the basis for the emissions calculations for this project, and were adjusted upward to reflect the proposed 16.4 MW biomass plant.

Mobile source emissions generated by the project were calculated using the industry standard URBEMIS 2007 Version 9.2.4. Mobile and stationary source emissions generated by the proposed project are shown in Table 1, below.

TABLE 1: BIOMASS COGENERATION PLANT EMISSIONS

Pollutant	Biomass Combustion (Tons/Year)	Mobile Sources (Tons/Year)	Total	Offset Threshold (tons/year)	Offset Required?	Major Source Threshold (tons/year)	Is Source a Major Source?
NO _x	6.31	1.6	7.91	10	No	10	No
PM ₁₀	7.67	0.53	8.2	14.6	No	70	No
SO _x	1.53	NA	1.53	27.38	No	70	No
CO	24.53	1.42	25.95	100	No	100	No
VOC	7.67	NA	7.67	10	No	10	No

Source: BEST Environmental, 2011 and De Novo Planning Group, 2011.

As shown in the table above, the proposed project does not meet the thresholds to be classified as a major emissions source for any of the criteria pollutants that would be generated by the project, as defined by SJVAPCD Rule 2250. Additionally, the proposed project does not meet the SJVAPCD thresholds requiring offsets, as specified in Table 4-1 of SJVAPCD Rule 2201, which governs stationary emissions sources.

As further described in the project description, the proposed CST biomass burner system is ultra clean firing. Recent source testing of the CST system at the Musco Olive Plant, conducted in April 2011, showed that the emissions from the CST system are the lowest of any biomass fired system in California. As shown in the table above, the proposed project would not exceed the applicable SJVAPCD thresholds requiring mitigation for emissions. Additionally, as further described under the greenhouse gas analysis later in this report, the proposed project would provide approximately 15 MW/hr of electricity for distribution back to the local power grid, which is assumed to offset electricity currently generated by sources including coal and natural gas. The project's offsets of emissions from coal and natural gas derived electricity would further reduce the project's net increases in emissions. Regardless of this potential to reduce emissions from other electricity sources, the proposed project's emissions are below the thresholds of significance established by the SJVAPCD. Therefore, this is a **less than significant** impact and no mitigation is required.

Response d): Less than Significant. Sensitive receptors are those parts of the population that can be severely impacted by air pollution. Sensitive receptors include children, the elderly, and

the infirm. The project site is surrounded by agricultural and industrial uses, and is not in the vicinity of any sensitive receptors. The nearest sensitive receptors to the project site are existing residences located approximately 0.5 miles to the south of the site.

As described under Response a) – c) above, the proposed project would not generate significant concentrations of air emissions. Impacts to sensitive receptors would be negligible and this is a **less than significant** impact.

Response e): Less than Significant. Operation of the proposed project would not generate odors directly. No noticeable odors would be emitted from the boiler. The primary purpose of the proposed project is to decrease salinity levels in treated wastewater from the Tracy WWTP. The Tracy WWTP is located immediately south of the project site, and is an existing source of odors in the project vicinity. Given the industrial nature of the project, the project itself would not be impacted by existing odors currently generated by the WWTP.

The only notable potential for the creation of odors associated with the project is the potential for biomass fuel for the project to generate odors if it is left to rot or decay. One hundred percent of the biomass fuel for the project would be provided by Agra Trading, which currently operates a biomass receiving and distribution operation on the project site. Biomass is stored in open piles, and is rotated on a continuous basis to avoid rot and decomposition. The storage and management of biomass materials on the project site is an existing environmental condition, and has not historically been a source of odors in the project area. The increased fuel demands generated by the project may result in increased deliveries of biomass fuel to Agra Trading, and may result in increased volumes of biomass stored on the site by Agra Trading. However, given the lack of historical odor problems associated with this existing operation, as well as the relatively high levels of ambient odors in the project vicinity generated by the Tracy WWTP, the proposed project would result in a **less than significant** impact related to odors, and no mitigation is required.

IV. BIOLOGICAL RESOURCES -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?		X		
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?			X	
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?			X	
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?			X	
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?		X		
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?		X		

RESPONSES TO CHECKLIST QUESTIONS

Response a): Less than Significant with Mitigation. Special-status invertebrates that occur within the San Joaquin County region include: longhorn fairy shrimp, vernal pool fairy shrimp, and midvalley fairy shrimp, which requires vernal pools and swale areas within grasslands; and the valley elderberry longhorn beetle, which is an insect that is only associated with blue elderberry plants, oftentimes in riparian areas and sometimes on land in the vicinity of riparian areas. The project site does not contain essential habitat for these special status invertebrates. Furthermore, evidence of these species was not encountered during the field survey. Implementation of the proposed project would have a **less than significant** impact on these species. No mitigation is necessary.

Special-status reptiles and amphibians that occur within the region include: the western pond turtle, which requires aquatic environments located along ponds, marshes, rivers, and ditches;

the California tiger salamander, which is found in grassland habitats where there are nearby seasonal wetlands for breeding; the silvery legless lizard, which is found in sandy or loose loamy soils under sparse vegetation with high moisture content; San Joaquin whipsnake, which requires open, dry habitats with little or no tree cover with mammal burrows for refuge; the Alameda whipsnake, which is restricted to valley-foothill hardwood habitat on south-facing slopes; the California horned lizard, which occurs in a variety of habitats including, woodland, forest, riparian, and annual grasslands, usually in open sandy areas; the foothill yellow-legged frog, which occurs in partly shaded and shallow streams with rocky soils; the California red legged frog, which occurs in stream pools and ponds with riparian or emergent marsh vegetation; and the western spadefoot toad, which requires grassland habitats associated with vernal pools.

The project site contains irrigation and drainage ditches along the northern project boundary. At the time of the field survey the ditches contained varying levels of water ranging from a few inches to a few feet. These ditches dry up, or have limited water from irrigation runoff during the hot summer months. Additionally, it should be noted that the irrigation ditches located along the northern boundary of the project site had limited vegetation as a result of ditch maintenance activities.

The project site does not contain appropriate habitat for the silvery legless lizard, Alameda whipsnake, California tiger salamander, foothill yellow-legged frog, western pond turtle, California red legged frog, or western spadefoot toad, nor where these species or evidence of the species found during the site visit. These species and their essential habitats are not present. Implementation of the proposed project would have a **less than significant** impact on these species. No mitigation is necessary.

The southwest portion of the project site is frequently disturbed from active agricultural activities and does not contain high quality habitat for the San Joaquin whipsnake and California horned lizard. Agricultural fields can provide habitat for these species between disturbance activities. There are no documented occurrences of these species within a five-mile radius, nor were they not encountered during the field survey. Implementation of the proposed project would have a **less than significant** impact on these species. No mitigation is necessary.

Numerous special-status plant species are known to occur in the region. Many of these special status plant species require specialized habitats such as serpentine soils, rocky outcrops, slopes, vernal pools, marshes, swamps, riparian habitat, alkali soils, and chaparral, which are not present on the project site. The project site is located in an area that was likely valley grassland prior to human settlement, and there are several plant species that are found in valley and foothills grasslands areas. These species include large-flowered fiddleneck, bent-flowered fiddleneck, big-balsamroot, big tarplant, round-leaved filaree, Lemmon's jewelflower, and showy golden madia. Human settlement has involved a high frequency of ground disturbance associated with the historical farming activities in the region, including the project site.

There is the potential for several special status plants to grow within the irrigation ditches due to the mesic conditions that are present during specific times. These include the Mason's

lilaeopsis, Suisun Marsh aster, and Delta button celery, two of which are documented within a five mile radius of the project site. There are no documented occurrences of special status plants on the project site or within the irrigation ditches on adjacent properties that are interconnected. Special status plants were not observed during site visits and no activities or disturbances within the irrigation ditches are proposed. This is considered a **less than significant** impact.

Special-status birds that occur within the region include: tricolored blackbird, Swainson's hawk, northern harrier, and bald eagle, which are associated with streams, rivers, lakes, wetlands, marshes, and other wet environments; loggerhead shrike, and burrowing owl, which lives in open areas, usually grasslands, with scattered trees and brush; and raptors that are present in varying habitats throughout the region.

Swainson's Hawk. There were a variety of raptors observed flying over the project site including a Swainson's hawk, white-tailed kite, and red-tailed hawk. The Swainson's hawk is threatened in California and is protected by the CDFG and the MBTA. Additionally, Swainson's hawk foraging habitat is protected by the CDFG. Swainson's hawks forage in open grasslands and agricultural fields and commonly nest in solitary trees and riparian areas in close proximity to foraging habitat. The foraging range for Swainson's hawk is ten miles from its nesting location. There are numerous documented occurrences of Swainson's hawk within ten miles of the project site. Although no nesting habitat for this species occur onsite, the cropland habitat on the project site is considered suitable foraging habitat for this species.

Construction on the project site could adversely affect Swainson's hawk foraging habitat. The Swainson's hawk is a species covered by the SJMSCP. The proposed project is considered an Unmapped Land Use Project by the SJMSCP, which includes annexations of land into the incorporated limits of a city. As required by Mitigation Measure 5, below, the City must submit an application to SJCOG to request coverage of the project site under the SJMSCP as an Unmapped Land Use Project. Coverage of a project under the SJMSCP is intended to reduce impacts to biological resources, including Swainson's hawk, resulting from a project. Once the project site has successfully received coverage under the SJMSCP, the City is required to pay the appropriate fee established by the SJMSCP and to incorporate all Incidental Take Minimization Measures identified by SJCOG into the project design. SJCOG will use the mitigation fee to purchase habitat for Swainson's hawk to be protected in perpetuity. No additional mitigation measure is required, and the project's coverage under the SJMSCP ensures that this impact would be **less than significant**.

Burrowing Owls. The southwestern portion of the project site is largely in active agricultural use. The irrigation ditches along the northern project boundary contain suitable habitat for burrowing owls, and burrowing owls have been observed in the immediate project vicinity during recent biological site visits conducted for the adjacent Holly Sugar Sports Park project. Burrowing owls are a California Species of Special Concern and are protected by the CDFG and the MBTA. Burrowing owls forage in open grasslands and shrublands and typically nest in old ground squirrel burrows. Based on the frequency of disking on the majority of the project site, it is unlikely that burrowing owl would nest within the cropland area. However, the presence of

ground squirrel burrows along the banks of the ditches constitutes suitable nesting habitat for burrowing owl and burrowing owls may be present prior to the onset of construction activities, whenever they may occur. It should also be noted that there are documented occurrences of burrowing owl on properties to the east, southeast, southwest, and west of the project site. The proposed project would have a potentially significant impact on burrowing owls. Implementation of the following mitigation measure would reduce the impact to a **less than significant** level.

Mitigation Measures

Mitigation Measure 5: *Prior to ground disturbance, the City of Tracy and/or the project applicant shall arrange for the preparation of a biological resources assessment for the project, and shall seek and obtain coverage under the SJMSCP from SJCOG.*

Mitigation Measure 6: *The City of Tracy shall comply with measures contained within the SJMSCP and shall consult with SJCOG biologists and the TAC prior to any site disturbing activities. The City shall implement the requirements of the SJMSCP to ensure that impacts to burrowing owls are avoided. The details of the avoidance measures shall be dictated by the TAC, and may include the following:*

- *To the extent feasible, construction should be planned to avoid the burrowing owl breeding season.*
- *During the non-breeding season (September 1 through January 31) burrowing owls occupying the project site should be evicted from the project site by passive relocation as described in the California Department of Fish and Game's Staff Report on Burrowing Owls (Oct., 1995)*
- *During the breeding season (February 1 through August 31) occupied burrows shall not be disturbed and shall be provided with a 75 meter protective buffer until and unless the TAC, with the concurrence of the Permitting Agencies' representatives on the TAC; or unless a qualified biologist approved by the Permitting Agencies verifies through non-invasive means that either: 1) the birds have not begun egg laying, or 2) juveniles from the occupied burrows are foraging independently and are capable of independent survival. Once the fledglings are capable of independent survival, the burrow can be destroyed.*

Implementation of this mitigation shall occur prior to grading or site clearing activities. The City of Tracy shall be responsible for monitoring and a qualified biologist shall conduct surveys and relocate owls as required.

Responses b), c): Less than Significant. Riparian natural communities support woody vegetation found along rivers, creeks and streams. Riparian habitat can range from a dense thicket of shrubs to a closed canopy of large mature trees covered by vines. Riparian systems are considered one of the most important natural resources. While small in total area when compared to the state's size, they provide a special value for wildlife habitat.

Over 135 California bird species either completely depend upon riparian habitats or use them preferentially at some stage of their life history. Riparian habitat provides food, nesting habitat, cover, and migration corridors. Another 90 species of mammals, reptiles, invertebrates and amphibians depend on riparian habitat. Riparian habitat also provides riverbank protection, erosion control and improved water quality, as well as numerous recreational and aesthetic values.

A wetland is an area that is inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas.

Wetlands are defined by regulatory agencies as having special vegetation, soil, and hydrology characteristics. Hydrology, or water inundation, is a catalyst for the formation of wetlands. Frequent inundation and low oxygen causes chemical changes to the soil properties resulting in what is known as hydric soils. The prevalent vegetation in wetland communities consists of hydrophytic plants, which are adapted to areas that are frequently inundated with water. Hydrophytic plant species have the ability to grow, effectively compete, reproduce, and persist in low oxygen soil conditions.

Below is a list of wetlands that are found in the Tracy planning area:

- **Farmed Wetlands:** This category of wetlands includes areas that are currently in agricultural uses. This type of area occurs in the northern portion of the Tracy Planning Area.
- **Lakes, Ponds and Open Water:** This category of wetlands includes both natural and human-made water bodies such as that associated with working landscapes, municipal water facilities and canals, creeks and rivers.
- **Seasonal Wetlands:** This category of wetlands includes areas that typically fill with water during the wet winter months and then drain enough to become ideal plant habitats throughout the spring and summer. There are numerous seasonal wetlands throughout the Tracy Planning Area.
- **Tidal Salt Ponds and Brackish Marsh:** This category of wetlands includes areas affected by irregular tidal flooding with generally poor drainage and standing water. There are minimal occurrences along some of the larger river channels in the northern portion of the Tracy Planning Area.

The project site contains irrigation/drainage ditches along the northern property boundary that may be subject to USACE and CDFG jurisdiction. Any activities that would require removal, filling, or hydrologic interruption of the irrigation ditches would be subject to the federal Clean Water Act Section 404 and California Fish and Game Code Section 1601 (Streambed Alteration Agreement). Under these regulations, a formal wetland delineation would need to be prepared

and verified by the USACE prior to any activities that would involve the irrigation/drainage ditches.

However, these irrigation/drainage ditches are not planned to be adversely affected; instead they are planned to be retained for drainage purposes and no improvements or construction activities are proposed within or immediately adjacent to the existing irrigation canals. Additionally, there is no riparian habitat present on the project site. For these reasons, this is a **less than significant** impact and no mitigation is required.

Response d): Less than Significant. The CNDDDB record search did not reveal any documented wildlife corridors or wildlife nursery sites on or adjacent to the project site. Furthermore, the field survey did not reveal any wildlife corridors or wildlife nursery sites on or adjacent to the project site. The irrigation/drainage ditches may serve as a corridor for movement of wildlife in the region; however, the project plans include retention of these ditches for drainage, which provides an ancillary benefit of retaining the ditches for wildlife. Implementation of the proposed project would have a **less than significant** impact. No mitigation is necessary.

Responses e), f): Less than Significant with Mitigation. The project site is located within the jurisdiction of the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (“Plan” or “SJMSCP”) and is located within the Central/Southwest Transition Zone of the SJMSCP. The San Joaquin Council of Governments (SJCOG) prepared the Plan pursuant to a Memorandum of Understanding adopted by SJCOG, San Joaquin County, the United States Fish and Wildlife Service (USFWS), the California Department of Fish and Game (CDFG), Caltrans, and the cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy in October 1994. On February 27, 2001, the Plan was unanimously adopted in its entirety by SJCOG. The City of Tracy adopted the Plan on November 6, 2001.

According to Chapter 1 of the SJMSCP, its key purpose is to “provide a strategy for balancing the need to conserve open space and the need to convert open space to non-open space uses, while protecting the region’s agricultural economy; preserving landowner property rights; providing 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 Federal Endangered Species Act (ESA) or the California Endangered Species Act (CESA); providing and maintaining multiple use Open Spaces which contribute to the quality of life of the residents of San Joaquin County; and, accommodating a growing population while minimizing costs to project proponents and society at large.”

In addition, the goals and principles of the SJMSCP include the following:

- Provide a County-wide strategy for balancing the need to conserve open space and the need to convert open space to non-open space uses, while protecting the region’s agricultural economy.
- Preserve landowner property rights.

- 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 CESA.
- Provide and maintain multiple-use open spaces, which contribute to the quality of life of the residents of San Joaquin County.
- Accommodate a growing population while minimizing costs to project proponents and society at large.

In addition to providing compensation for conversion of open space to non open space uses, which affect plant and animal species covered by the SJMSCP, the SJMSCP also provides some compensation to offset impacts of open space conversions on non-wildlife related resources such as recreation, agriculture, scenic values and other beneficial open space uses. Specifically, the SJMSCP compensates for conversions of open space to urban development and the expansion of existing urban boundaries, among other activities, for public and private activities throughout the County and within Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy.

Participation in the SJMSCP is voluntary for both local jurisdictions and project applicants. Only agencies adopting the SJMSCP would be covered by the SJMSCP. Individual project applicants have two options if their project is located in a jurisdiction participating in the SJMSCP: mitigating under the SJMSCP or negotiating directly with the state and/or federal permitting agencies. If a project applicant opts for SJMSCP coverage in a jurisdiction that is participating under the SJMSCP, the following options are available, unless their activities are otherwise exempted: pay the appropriate fee; dedicate, as conservation easements or fee title, habitat lands; purchase approved mitigation bank credits; or, propose an alternative mitigation plan.

Responsibilities of permittees covered by the SJMSCP include, collection of fees, maintenance of implementing ordinances/resolutions, conditioning permits (if applicable), and coordinating with the Joint Powers Authority (JPA) for Annual Report accounting. Funds collected for the SJMSCP are to be used for the following: acquiring Preserve lands, enhancing Preserve lands, monitoring and management of Preserve lands in perpetuity, and the administration of the SJMSCP. Because the primary goal of SJMSCP to preserve productive agricultural use that is compatible with SJMSCP's biological goals, most of the SJMSCP's Preserve lands would be acquired through the purchase of easements in which landowners retain ownership of the land and continue to farm the land. These functions are managed by San Joaquin Council of Governments.

The proposed project is an annexation of land into an existing incorporated city limits and is located immediately adjacent to the boundaries of the defined community, which falls into the category of "Unmapped Land Use Project" under the SJMSCP. Projects in this category are subject to a case-by-case review by a Technical Advisory Committee (TAC) to ensure that the biological impacts of the proposed project are within the parameters established by the SJMSCP and the Biological Opinion.

"Unmapped Land Use Projects" that seek coverage under the SJMSCP are required to complete the "*Section 8.2.1(10) Checklist for Unmapped SJMSCP Projects*" with supporting documentation

for SJCOG to review and confirm that the proposed project is consistent with the SJMSCP and the Biological Opinion. If the TAC confirms that the proposed project is consistent with the SJMSCP, they will recommend to the Joint Powers Authority that the project receive coverage under the SJMSCP. As required by Mitigation Measure 5, the City must submit a Biological Assessment and SJMSCP Coverage Application to the San Joaquin Council of Governments (SJCOG) to include the project site in the SJMSCP. Compliance with this required would ensure that the project has a **less than significant** impact related to this environmental topic.

V. CULTURAL RESOURCES -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Cause a substantial adverse change in the significance of a historical resource as defined in '15064.5?		X		
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to '15064.5?		X		
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?		X		
d) Disturb any human remains, including those interred outside of formal cemeteries?		X		

RESPONSES TO CHECKLIST QUESTIONS

Response a), b), c), d): Less than Significant with Mitigation. A review of literature maintained by the Central California Information Center of the California Historical Resources Information System at California State University, Stanislaus identified that no previously identified prehistoric period cultural resources are known within, or within a 1/4 mile radius of the project site. Additionally, there are no known unique paleontological or archeological resources known to occur on, or within the immediate vicinity of the project site. Therefore, it is not anticipated that site grading and preparation activities would result in impacts to cultural, historical, archaeological or paleontological resources. There are no known human remains located on the project site, nor is there evidence to suggest that human remains may be present on the project site

However, as with most projects in California that involve ground-disturbing activities, there is the potential for discovery of a previously unknown cultural and historical resource or human remains. This is considered a **potentially significant** impact.

The implementation of Mitigation Measure 7 would require appropriate steps to preserve and/or document any previously undiscovered resources that may be encountered during construction activities, including human remains. Implementation of this measure would reduce this impact to a **less than significant** level.

Mitigation Measures

Mitigation Measure 7: *If any prehistoric or historic artifacts, human remains or other indications of archaeological resources are found during grading and construction activities, an archaeologist meeting the Secretary of the Interior's Professional Qualifications Standards in prehistoric or historical archaeology, as appropriate, shall be consulted to evaluate the finds and recommend appropriate mitigation measures.*

- *If cultural resources or Native American resources are identified, every effort shall be made to avoid significant cultural resources, with preservation an important goal. If significant sites cannot feasibly be avoided, appropriate mitigation measures, such as data recovery excavations or photographic documentation of buildings, shall be undertaken consistent with applicable state and federal regulations.*
 - *If human remains are discovered, all work shall be halted immediately within 50 meters (165 feet) of the discovery, the County Coroner must be notified, according to Section 5097.98 of the State Public Resources Code and Section 7050.5 of California's Health and Safety Code. If the remains are determined to be Native American, the coroner will notify the Native American Heritage Commission, and the procedures outlined in CEQA Section 15064.5(d) and (e) shall be followed.*
 - *If any fossils are encountered, there shall be no further disturbance of the area surrounding this find until the materials have been evaluated by a qualified paleontologist, and appropriate treatment measures have been identified.*

VI. GEOLOGY AND SOILS -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.			X	
ii) Strong seismic ground shaking?			X	
iii) Seismic-related ground failure, including liquefaction?		X		
iv) Landslides?			X	
b) Result in substantial soil erosion or the loss of topsoil?		X		
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?		X		
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?		X		
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?				X

RESPONSES TO CHECKLIST QUESTIONS

Responses a.i), a.ii): Less than Significant. The project site is not located within an Earthquake Fault Zone, as defined by the State Geologist. The nearest mapped active fault (Carnegie/Corral Hollow) is located approximately 11 miles southwest of the project site. However, due to the proximity of the project site to numerous inactive and active faults in the surrounding region, the project site has the potential to experience groundshaking. The impact of groundshaking to people or property caused by seismic activity on nearby faults would be increased as a result of site development.

In order to minimize potential damage to the proposed structures caused by groundshaking, all construction would comply with the latest California Building Code standards, as required by

the City of Tracy Municipal Code 9.04.030. Implementation of the California Building Code standards, which include provisions for seismic building designs, would ensure that impacts associated with groundshaking would be less than significant. Building new structures for human use would increase the number of people exposed to local and regional seismic hazards. Seismic hazards are a significant risk for most property in California.

The Safety Element of the Tracy General Plan includes several goals, objectives and policies to reduce the risks to the community from earthquakes and other geologic hazards. In particular, the following policies would apply to the project site:

SA-1.1, Policy P1: Underground utilities, particularly water and natural gas mains, shall be designed to withstand seismic forces.

SA-1.1, Policy P2: Geotechnical reports shall be required for development in areas where potentially serious geologic risks exist. These reports should address the degree of hazard, design parameters for the project based on the hazard, and appropriate mitigation measures.

SA-1.2, Policy P1: All construction in Tracy shall conform to the California Building Code and the Tracy Municipal Code including provisions addressing unreinforced masonry buildings.

Implementation of the requirements of the California Building Code and the Tracy General Plan would ensure that impacts on humans associated with seismic hazards would be **less than significant**. No additional mitigation is required.

Responses a.iii), c), d): Less than Significant with Mitigation. Liquefaction normally occurs when sites underlain by saturated, loose to medium dense, granular soils are subjected to relatively high ground shaking. During an earthquake, ground shaking may cause certain types of soil deposits to lose shear strength, resulting in ground settlement, oscillation, loss of bearing capacity, landsliding, and the buoyant rise of buried structures. The majority of liquefaction hazards are associated with sandy soils, silty soils of low plasticity, and some gravelly soils. Cohesive soils are generally not considered to be susceptible to liquefaction. In general, liquefaction hazards are most severe within the upper 50 feet of the surface, except where slope faces or deep foundations are present (CDMG Special Publication 117, 1997).

Expansive soils are those that undergo volume changes as moisture content fluctuates; swelling substantially when wet or shrinking when dry. Soil expansion can damage structures by cracking foundations, causing settlement and distorting structural elements. Expansion is a typical characteristic of clay-type soils. Expansive soils shrink and swell in volume during changes in moisture content, such as a result of seasonal rain events, and can cause damage to foundations, concrete slabs, roadway improvements, and pavement sections.

Available data indicates the groundwater table fluctuates between an elevation of +2.8 msl and -6.7 msl, or approximately 2 to 12 feet below the ground surface in the project vicinity. The groundwater levels near the project site are considered to be relatively high, and the project

site is underlain by Holocene alluvial and flood basin deposits, and is located within a seismically active area. These conditions indicate that a risk of seismic settlement and liquefaction exist.

The surface and near-surface soils at the project site are variable and contain significant thickness of clays. Laboratory tests of collected surface soils near the project site indicate these clays possess a medium expansion potential that can develop swelling pressures with increases in soil moisture content. Special preparation during site grading and deepening of foundations, accompanied with presaturation of the soil subgrade prior to floor slab placement and reinforcement of floor slabs, may be required to help mitigate the effects of expansive soils.

The Safety Element of the General Plan includes Objective SA-1.1, Policy 1, which requires that geotechnical engineering studies be undertaken for any development in areas where potentially serious geologic risks exist. The implementation of this policy would reduce the potential risk of liquefaction and hazards associated with expansive soils. Given the soils types present on the project site and the relatively high groundwater table, the risk for seismic settlement and/or liquefaction is considered to be a **potentially significant** impact.

Mitigation Measure 8 requires the preparation of a design-level geotechnical engineering study to identify and address potential soil hazards prior to project construction. Additionally, Mitigation Measure 9 includes requirements for soil treatments and possibly replacements during subsurface construction activities, prior to the placement of building foundations. Implementation of these mitigation measures would reduce impacts associated with liquefaction and expansive soils to a **less than significant** level.

Mitigation Measures

Mitigation Measure 8: *In accordance with the California Building Code (Title 24, Part 2) Section 1804A.3 and A.5, and the requirements of Tracy General Plan Objective SA-1.1, Policy 1, liquefaction and seismic settlement potential shall be addressed in the design level geotechnical engineering investigations. The City's Building Division of the Development and Engineering Services Department shall ensure that all the pertinent sections of the California Building Code shall be adhered to in the construction of buildings and structures on site, and that all appropriate measures are implemented in order to reduce the risk of liquefaction and seismic settlement prior to the issuance of a Building Permit.*

Mitigation Measure 9: *During excavation activities and prior to the placement of fill on the site, a certified geotechnical engineer shall be retained by the City and/or project applicant to evaluate subgrade soils for the extent of their expansive potential in areas where buildings or structures are proposed. For areas found to contain soft, potentially expansive clays, the soil shall be removed (i.e., over excavated) and/or stabilized prior to the placement and compaction of fill. Stabilization techniques may include, but are not limited to, the placement of 18 inches of ½-inch to ¾-inch crushed rock over stabilization fabric (such as Mirafi 500X or equivalent), placement of larger, angular stabilization rock (1-inch to 3-inch, clean) and use of chemical treatments such as lime to*

reduce the soil's expansive potential. In addition, building construction alternatives, such as the use of alternative foundation types (i.e., post-tension, piles, etc.) versus end-bearing foundations, shall be considered and implemented where appropriate. Final techniques shall be (a) developed by a certified geotechnical engineer or engineering geologist and (b) reviewed and approved by the City prior to issuance of building permits for each stage of project construction.

Responses a.iv): Less than Significant. The project site is relatively flat and there are no slopes in the vicinity of the project site. As such, the project site is exposed to little or no risk associated with landslides. This is a **less than significant** impact and no mitigation is required.

Response b): Less than Significant with Mitigation. Construction and site preparation activities associated with development of the project site include clearing existing agricultural, native and non-native vegetative ground cover prior to site grading for the installation of the proposed Plant, supporting structures, and facilities. During the construction preparation process, existing vegetation would be removed to grade and compact the project site, as necessary. As construction occurs, these exposed surfaces could be susceptible to erosion from wind and water. Effects from erosion include impacts on water quality and air quality. Exposed soils that are not properly contained or capped increase the potential for increased airborne dust and increased discharge of sediment and other pollutants into nearby surface water sources. Risks associated with erosive surface soils can be reduced by using appropriate controls during construction and properly revegetating exposed areas. Mitigation Measures 3 and 4 requires the implementation of various dust control measures during site preparation and construction activities that would reduce the potential for soil erosion and the loss of topsoil. Additionally, Mitigation Measure 11 would require the implementation of various best management practices (BMPs) that would reduce the potential for disturbed soils and ground surfaces to result in erosion and sediment discharge into adjacent surface waters during construction activities. The implementation of these required mitigation measures would reduce these impacts to a **less than significant** level and no additional mitigation is required.

Response e): No Impact. The project site would be served by public wastewater facilities and does not require an alternative wastewater system such as septic tanks. Implementation of the proposed project would have **no impact** on this environmental issue.

XII. GREENHOUSE GAS EMISSIONS – WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?			X	
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gasses?				X

RESPONSES TO CHECKLIST QUESTIONS

Response a): Less than Significant. Once operational, the proposed project would burn agricultural residuals and woody biomass material to generate thermal heat. The combustion of this biomass material would result in the release of CO₂ emissions. CO₂ is the most common and prolific type of greenhouse gas. As described in the project description, the CST biomass burner system is ultra clean firing. Recent source testing of the CST system at the Musco Olive Plant showed that the emissions from the CST system are the lowest of any bio-mass fired system in California.

CO₂ emissions for the Plant were estimated using the set of emission factors published by the EPA in 40 CFR Part 90. The factor considered most similar to the anticipated fuel stream for the Plant is associated with wood and wood residuals. Using this factor, it is estimated that the proposed project would generate approximately 36.2 tons of CO₂ per hour, or 870 tons per day. The proposed Plant would generate approximately 16.4 MW/hr of electricity, and would result in approximately 0.45 tons of CO₂ per MW/hr. As a comparison, electricity produced from coal generates approximately 1.3 tons of CO₂ per MW/hr, and electricity produced from natural gas generates approximately 0.7 tons of CO₂ per MW/hr.

Of the 16.4 MW/hr of electricity produced by the Plant, approximately 15 MW/hr would be distributed to the local power grid and utilized by the City of Tracy and other local electricity users. It is assumed that the energy produced by the Plant would offset the use of energy produced from sources such as coal and natural gas, both of which generate higher levels of CO₂ per MW/hr. It is not known exactly what percentage of the existing electricity used in the project area comes from coal and natural gas. However, it is assumed that coal and natural gas generated electricity would be offset by electricity provided by the proposed project. While some portion of the electricity in the project area undoubtedly comes from renewable sources, such as solar, which generates little to no CO₂ per megawatt hour, it is assumed that energy provided by the project would not replace energy sources that generate less CO₂ per megawatt hour than the proposed project. The basis for this assumption is rooted in the requirements of Executive Order S-14-08, which requires that all retail sellers of electricity shall serve 33 percent of their load with renewable energy by 2020.

It is further noted that SB 1368 requires the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) to set a global warming emissions standard for electricity used in California — regardless of whether it's generated in-state or purchased from plants in other states. The new standard applies to any new long-term financial contracts for base load electricity, and applies both to investor-owned utilities and municipal utilities. The standard for baseload generation owned by, or under long-term contract to publicly owned utilities, is an emissions performance standard (EPS) of 1,100 lbs CO₂ per megawatt hour, which is equal to 0.55 tons of CO₂ per megawatt hour. It is noted that the project would emit 0.45 tons of CO₂ per megawatt hour, which is below the established EPS. It is further noted that the CPUC has determined that biomass generation of electricity is EPS compliant because alternative means of disposing biomass such as open air burning and landfill deposition have the potential to generate greater concentrations of greenhouse gas in the atmosphere, including methane.

Therefore, while the proposed project would result in the direct emissions of up to 870 tons per day of CO₂, the project would offset a greater amount of CO₂ by displacing the use of energy from sources that generate higher levels of CO₂ per MW/hr. Overall, the project is anticipated to result in a net reduction of GHGs in the project region, and would result in positive impacts associated with GHGs.

Additionally, as further described in the project description, the proposed project would not utilize any forest materials or result in the loss or removal of any vegetation or biomass material that would not otherwise be disposed of. The project would utilize agricultural woody biomass, such as tree prunings and removed crops, as well as urban wood waste and waste from urban tree removal activities. All fuel for the project would be generated and sourced from within 50 miles of the project site. The use of these fuel types would not remove any trees or other living biomass vegetation that provide positive carbon sequestration benefits.

It is further noted that the proposed project includes plans to eventually install a large solar thermal mirror system in the southwestern portion of the project site. The solar thermal mirror system may eventually supplement the use of biomass as a thermal heat source for the proposed desalination plant. Thermal heat energy derived from solar sources does not directly generate GHGs. However, it is not known when, or with certainty if, the solar array system will be installed and operational. Therefore, this analysis is based on a worst-case scenario, and discloses direct GHG emissions that would be generated by the project if only biomass fuel were used to generate thermal heat for the Plant.

The project would also generate limited volumes of CO₂ associated with vehicle trips. Vehicle trips associated with the project include up to 28 new employees. The GHGs emitted from 28 employee trips per day would be negligible, and would not significantly contribute additional sources of GHGs to the atmosphere. The project may also generate up to 20 truck trips per day associated with deliveries of biomass fuel to the project site. As described in the project description, all fuel for the project site would originate within 50 miles of the Plant. Agra Trading, which is located on the project site, would provide 100% of the biomass fuel for the project. Agra Trading currently provides biomass fuel to clients throughout the region, including areas not within the immediate vicinity of the project site. As such, the 20 additional

vehicle trips generated by the project would be considerably shorter in distance, and may actually result in a reduction of GHGs from truck trips delivering biomass fuel throughout the region. It is estimated that employee trips and truck trips combined would generate fewer than 520 tons/year of CO₂.

As described above, the proposed project would generate new direct sources of GHGs. However, the project is anticipated to offset an even higher level of existing GHGs that are generated through energy production from sources such as coal and natural gas. Therefore, the project would not result in a net increase in atmospheric CO₂. This is a **less than significant** impact, and no mitigation is required.

Response b): No Impact. There are numerous local and state-level programs and plans in place that aim to reduce GHG levels in California and the City of Tracy. State-level programs include, but are not limited to:

Bioenergy Action Plan – Executive Order #S-06-06

Executive Order #S-06-06 establishes targets for the use and production of biofuels and biopower and directs state agencies to work together to advance biomass programs in California while providing environmental protection and mitigation. The executive order establishes the following target to increase the production and use of bioenergy, including ethanol and biodiesel fuels made from renewable resources: produce a minimum of 20% of its biofuels within California by 2010, 40% by 2020, and 75% by 2050. The executive order also calls for the state to meet a target for use of biomass electricity, including biomass cogeneration facilities.

California Executive Orders S-3-05 and S-20-06, and Assembly Bill 32

On June 1, 2005, Governor Arnold Schwarzenegger signed Executive Order S-3-05. The goal of this Executive Order is to reduce California's GHG emissions to: 1) 2000 levels by 2010, 2) 1990 levels by 2020 and 3) 80% below the 1990 levels by 2050.

In 2006, this goal was further reinforced with the passage of Assembly Bill 32 (AB 32), the Global Warming Solutions Act of 2006. AB 32 sets the same overall GHG emissions reduction goals while further mandating that ARB create a plan, which includes market mechanisms, and implement rules to achieve "real, quantifiable, cost-effective reductions of greenhouse gases." Executive Order S-20-06 further directs state agencies to begin implementing AB 32, including the recommendations made by the state's Climate Action Team (CAT). Each CAT working group will develop a Near-term Implementation Plan (CATNIPs) for the specific climate change mitigation measures and adaptation strategies being addressed by the working group. These will be the measures and strategies that will be underway or completed by the end of 2010. The CATNIP will include a brief description of the measures and strategies, the steps to be taken in implementation, the agency/department responsible, and the timeline for completion. The Energy Working Group of the Climate Action Team focuses its efforts on both green house gas emission reduction and adaptation actions affecting the energy sector.

CARB, which is part of Cal-EPA, develops air quality regulations at the state level. The state regulations mirror federal regulations by establishing industry-specific pollution controls for criteria, toxic, and nuisance pollutants. California also requires areas to develop plans and strategies for attaining state ambient air quality standards as set forth in the California Clean Air Act of 1988. In addition to developing regulations, CARB develops motor vehicle emission standards for California vehicles.

Assembly Bill 32- Climate Change Scoping Plan

On December 11, 2008 ARB adopted its *Climate Change Scoping Plan* (Scoping Plan), which functions as a roadmap of ARB's plans to achieve GHG reductions in California required by AB 32 through subsequently enacted regulations. The Scoping Plan contains the main strategies California will implement to reduce CO₂e emissions by 169 million metric tons (MMT), or approximately 30%, from the state's projected 2020 emissions level of 596 MMT of CO₂e under a business-as-usual scenario. (This is a reduction of 42 MMT CO₂e, or almost 10%, from 2002–2004 average emissions, but requires the reductions in the face of population and economic growth through 2020.) The Scoping Plan also breaks down the amount of GHG emissions reductions ARB recommends for each emissions sector of the state's GHG inventory. The Scoping Plan calls for the largest reductions in GHG emissions to be achieved by implementing the following measures and standards:

- improved emissions standards for light-duty vehicles (estimated reductions of 31.7 MMT CO₂e),
- the Low-Carbon Fuel Standard (15.0 MMT CO₂e),
- energy efficiency measures in buildings and appliances and the widespread development of combined heat and power systems (26.3 MMT CO₂e), and
- a renewable portfolio standard for electricity production (21.3 MMT CO₂e).

The Cal-EPA 2011 Greenhouse Gas Reduction Report Card (January, 2011) reported that in 2009, the date for which the most current data are available, California had achieved a reduction of 1.3 MMT CO₂e compared to 2007 levels from implementation of the RPS program.

Senate Bill 1368

SB 1368 requires the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) to set a global warming emissions standard for electricity used in California — regardless of whether it's generated in-state or purchased from plants in other states. The new standard applies to any new long-term financial contracts for base load electricity, and applies both to investor-owned utilities and municipal utilities. The standard for baseload generation owned by, or under long-term contract to publicly owned utilities, is an emissions performance standard (EPS) of 1,100 lbs CO₂ per megawatt-hour (MWh). However, the CPUC has determined that biomass generation of electricity is EPS compliant because alternative means of disposing biomass such as open air burning and landfill deposition have the potential to generate greater concentrations of greenhouse gas in the atmosphere, including methane.

Senate Bills 1078 and 107 and Executive Order S-14-08

SB 1078 (Chapter 516, Statutes of 2002) requires retail sellers of electricity, including investor-owned utilities and community choice aggregators, to provide at least 20% of their supply from renewable sources by 2017. SB 107 (Chapter 464, Statutes of 2006) changed the target date to 2010. In November 2008, Governor Schwarzenegger signed Executive Order S-14-08, which expands the state's Renewable Energy Standard to 33% renewable power by 2020.

California Renewables Portfolio Standard (RPS)

Established in 2002 under Senate Bill 1078 and accelerated in 2006 under Senate Bill 107, California's Renewables Portfolio Standard (RPS) is one of the most ambitious renewable energy standards in the country. The RPS program requires electric corporations to increase procurement from eligible renewable energy resources by at least 1% of their retail sales annually, until they reach 20% by 2010. Biomass generated electricity is considered an eligible renewable energy source for the RPS program.

The proposed project is consistent with all of the applicable Statewide programs to reduce GHGs described above.

Additionally, the City of Tracy recently adopted the Tracy Sustainability Action Plan. The Sustainability Action Plan includes programs and measures to reduce GHGs through community and municipal operations. Programs and measures contained in the Sustainability Action Plan that relate to the proposed project include:

Measure E-1(k): Develop a public-private partnership to provide incentives for co-generation projects for commercial and industrial facilities using outside funds.

Measure E-1(l): Encourage the development of alternative energy projects and conduct a review of City policies and ordinances to address alternative energy production. Develop protocols for alternative energy storage, such as biodiesel, hydrogen, and/or compressed air. Continue to research the location needs for alternative energy producers and send direct, targeted marketing pieces to alternative energy producers that are appropriate for Tracy. Identify possible City-owned sites for production of local renewable energy sources such as solar, wind, small hydro, and biogas.

Measure E-1(m): Encourage the inclusion of alternative energy facilities that are a secondary use to another project. Identify the best means to avoid noise, aesthetic, and other potential land use compatibility conflicts for alternative energy facilities (e.g. installing tracking solar PV or angling fixed solar PV in a manner that reduces glare to surrounding land uses). Identify and remove regulatory or procedural barriers to producing renewable energy as a secondary use to another project, such as updating codes, guidelines, and zoning.

The proposed project would assist the City of Tracy with implementation of the Sustainability Action Plan, and is consistent with the measures described above.

As described above, the proposed project is consistent with all applicable local and State programs and measures aimed at reducing GHG levels. There is **no impact**.

VIII. HAZARDS AND HAZARDOUS MATERIALS -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?		X		
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?		X		
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			X	
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?			X	
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?			X	
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?			X	

RESPONSES TO CHECKLIST QUESTIONS

Responses a), b): Less than Significant with Mitigation. The proposed project would include a Selective catalytic reduction (SCR) system to reduce emissions of nitrogen oxide gas (NOx). SCR systems inject ammonia into boiler flue gas and pass it through a catalyst bed where the ammonia and NOx react to form nitrogen and water vapor. In the United States, SCR systems are often the technology of choice for meeting air emissions regulations that govern the amount of NOx emissions that can be released into the atmosphere. Other technologies for NOx reduction include low NOx burners, staged combustion, gas recirculation, low excess air firing, and selective non-catalytic reduction (SNCR).

Selective catalytic reducers (SCR) work in a manner similar to the way a catalytic converter works to reduce automobile emissions. A gaseous or liquid reductant (generally ammonia or urea) is added to the exhaust gases before they exit a smokestack. The mixed gases travel through several catalytic layers, causing a reaction between the NO_x emissions and the ammonia injection. The reaction converts the NO_x emissions into pure nitrogen and water vapors. The benign elements are then released into the air.

The project's SCR system will require the transport, storage, and use of aqueous ammonia at the project site. Aqueous ammonia is a hazardous substance and toxic chemical, classified by the U.S. Department of Transportation and the Occupational Safety and Health Administration (OSHA) as a hazardous material, and by the U.S. EPA as an "extremely hazardous substance." At low concentrations in the air, ammonia causes irritation to the eyes, nose and throat. At higher concentrations, it causes coughing, bronchial spasms, conjunctivitis, laryngitis, and pulmonary edema.

Anhydrous ammonia delivered to the project site would arrive in pressurized tank trucks, and would be stored on site in a pressurized steel tanks subject to 29 CFR 1919.111 and built in accordance with ASME Boiler and Vessel Code, and rated to 250 pound-force per square in gauge, and equipped with protections and sensors. It is estimated that approximately 3,000 pounds of anhydrous ammonia would be stored on site for use in the SCR system. The facility would install a 600-gallon pressure vessel to store the anhydrous ammonia. At 90% full, the tank capacity is 540 gallons, or 2,780 pounds. It is estimated that the tank would be refilled approximately once per month.

Anhydrous Ammonia (ammonia) (CAS No. 7664-41-7) is subject to the California Accidental Release Prevention Program (CalARP) regulations (Title 19, CCR, Chapter 4.5). The threshold quantity of storage that triggers the CalARP program is 500 pounds of anhydrous ammonia. At 10,000 pounds, the Federal Risk Management Program is triggered.

A Risk Management Plan (RMP) is required when a facility uses a regulated substance in excess of the CalARP threshold quantity, as is the case with the proposed project. An RMP must be completed and submitted to the San Joaquin County Environmental Compliance Division, the Administering Agency for the CalARP Program, in accordance with the California Health and Safety Code, Division 20, Chapter 6.95, Article 2 and the California Code of Regulation (CCR) Title 19 Division 2, Chapter 4.5, Articles 1 through 11.

The RMP summarizes the facility's accidental release prevention program implementation activities, including: Maintenance, Hazard Review, Operating Procedures, Training, Offsite Consequence Analysis, Incident Investigation, Emergency Response Program, and Compliance Audit. The RMP is required to be updated at least every five years, and the facility is required to be inspected by the San Joaquin County Environmental Compliance Division at least once every three years.

Implementation of Mitigation Measure 10 requires the project applicant to prepare and submit an RMP to the San Joaquin County Environmental Compliance Division for review and approval

prior to operation of the SCR system. Compliance with the RMP requirements would reduce risks associated with the accidental release of ammonia to a less than significant level.

Mitigation Measures

Mitigation Measure 10: *The project applicant shall prepare a Risk Management Plan (RMP) for the use and storage of anhydrous ammonia that meets the requirements of California Health and Safety Code, Division 20, Chapter 6.95, Article 2 and the California Code of Regulation (CCR) Title 19 Division 2, Chapter 4.5, Articles 1 through 11. The RMP shall be submitted to the San Joaquin County Environmental Compliance Division for review and approval prior to operation of the SCR system.*

Response c): Less than Significant. The project site is not located within ¼ mile of an existing or proposed school, and would therefore, not result in the exposure of any school site to any hazardous materials that may be used or stored at the project site. As described under Response a), above, the project is subject to mitigation measures that would reduce potential impacts associated with the use or storage of hazardous materials on the project site that would reduce this impact to a less than significant level. However, since there are no schools in the immediate vicinity of the project site, this impact is considered **less than significant** and no additional mitigation is required.

Response d): Less than Significant. According to the California Department of Toxic Substances Control (DTSC) there are no Federal Superfund Sites, State Response Sites, or Voluntary Cleanup Sites on, or in the vicinity of the project site. The DTSC Envirostor Database identifies three cleanup sites in the vicinity of the City of Tracy. The cleanup site nearest the project site is located at the corner of Tracy Blvd. and Beechnut Ave., over two miles south of the project site. A search of the State Water Resources Control Board Geotracker Database revealed a leaking underground storage tank on the project site. According to the Geotracker Database, gasoline leaked from an underground storage tank, and cleanup activities were completed in January 2011. Cleanup activities were verified, and the case was formally closed in July 2011. Therefore, the project site does not contain any known hazardous materials, and this is a **less than significant** impact.

Responses e), f): Less than Significant. The Federal Aviation Administration (FAA) establishes distances of ground clearance for take-off and landing safety based on such items as the type of aircraft using the airport. The San Joaquin County Airport Land Use Commission (ALUC) is an advisory body that assists local agencies with ensuring the compatibility of land uses in the vicinity of airports. The County ALUC reviews proposed development projects for consistency with airport land use compatibility. The General Plan presents a policy that is designed to ensure that new development is consistent with setbacks, height and land use restrictions as determined by the Federal Aviation Administration and the San Joaquin County Airport Land Use Commission, as well as the policies of the City's Airport Master Plan.

The Tracy Municipal Airport is the closest airport to the project site, located approximately eight miles south of the site. The Airport is a general aviation airport owned by the City and managed by the Parks and Community Services Department. The Tracy Airport Master Plan

shows that the project site is not located within a flight zone and the proposed project is not considered an incompatible land use. Implementation of the proposed project would have a **less than significant** impact with regards to this environmental issue.

Response g): No Impact. The General Plan includes policies that require the City to maintain emergency access routes that are free of traffic impediments (Objective SA-6.1, P1 and A2). The proposed project does not include any actions that would impair or physically interfere with an adopted emergency response plan or emergency evacuation plan. Furthermore, the proposed project would not result in population growth that would increase the demand for emergency services during disasters. Implementation of the proposed project would result in **no impact** on this environmental topic.

Response h): Less than Significant. The risk of wildfire is related to a variety of parameters, including fuel loading (vegetation), fire weather (winds, temperatures, humidity levels and fuel moisture contents) and topography (degree of slope). Steep slopes contribute to fire hazard by intensifying the effects of wind and making fire suppression difficult. Fuels such as grass are highly flammable because they have a high surface area to mass ratio and require less heat to reach the ignition point, while fuels such as trees have a lower surface area to mass ratio and require more heat to reach the ignition point.

The City has areas with an abundance of flashy fuels (i.e. grassland) in the outlying residential parcels and open lands that when combined with warm and dry summers with temperatures often exceeding 100 degrees Fahrenheit create a situation that results in higher risk of wildland fires. Most wildland fires are human caused, so areas with easy human access to land with the appropriate fire parameters generally result in an increased risk of fire.

The California Department of Forestry has designated the western and southern edge of the City as having a moderate wildland fire potential. This is predominately a result of the hills and grassland habitat that persists. The proposed project is located on the northern edge of the City in an area that is actively farmed or used for industrial uses. This area is considered lower risk to wildfires when compared to the hilly area on the south side of the City.

The General Plan includes a variety of policies that are designed to minimize wildfire risk. These standard policies include the use of fire-resistant plants, ground cover, and roofing materials, and clearing areas around structures of potential fuel (Objective SA-3.1, P1 and P4). The General Plan also establishes fire flow and hydrant standards to facilitate fire-fighting in the event of a fire (Objective SA-3.1, P3).

Biomass fuel for the proposed project would be sourced from the existing Agra Trading company operations on the project site. Agra Trading currently maintains biomass fuel stock on the site, and the proposed project would not result in significant changes to the existing baseline environmental conditions. Fuel piles are actively managed and rotated on a continuous basis to reduce risks associated with combustion that may occur if biomass piles were left to decompose. This risk of wildland fires at the project site is considered a **less than significant** impact.

IX. HYDROLOGY AND WATER QUALITY -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Violate any water quality standards or waste discharge requirements?			X	
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?			X	
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?		X		
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?		X		
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?		X		
f) Otherwise substantially degrade water quality?		X		
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?			X	
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?			X	
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?			X	
j) Inundation by seiche, tsunami, or mudflow?			X	

RESPONSES TO CHECKLIST QUESTIONS

Responses a): Less than Significant. As described above in the project description, the primary purpose of the proposed project is to construct and operate an approximately 1,200,000 gallon per day (gpd) desalination plant in the City of Tracy. The desalination plant would process treated effluent currently generated by the Tracy WWTP to a quality that is suitable for discharge into the Sacramento San Joaquin Delta (Delta) and meets State standards for water quality discharge. The Tracy WWTP currently processes approximately 9,000,000 gpd of effluent. The WWTP discharges this treated effluent directly into the Delta. The WWTP's discharge currently contains salt in amounts that exceed the Delta salinity standards. Salinity in water is generally measured in Total Dissolved Solids (TDS). Project implementation would effectively remove salt from approximately 13 percent of the WWTP's effluent. The treated desalination water would then be blended back into the remaining WWTP effluent prior to discharge into the Delta. The newly blended and treated effluent will have lower salinity and will assist the City in compliance with all applicable Delta salinity standards. Overall, the proposed project would have result in significantly beneficial impacts to water quality. For the purposes of this analysis, this is a **less than significant** impact, and no mitigation is required.

Responses b): Less than Significant. The proposed project would treat wastewater generated at the Tracy WWTP plant to reduce salinity levels. No groundwater would be used by the proposed project, and the project would not increase existing levels of groundwater pumping. Groundwater recharge occurs primarily through percolation of surface waters through the soil and into the groundwater basin. The addition of significant areas of impervious surfaces (such as roads, parking lots, buildings, etc) can interfere with this natural groundwater recharge process. The project will include areas of impervious surfaces, such as the proposed parking lots and various structures. However, given the relatively large size of the groundwater basin in the Tracy area, the areas of impervious surfaces added as a result of project implementation will not adversely affect the recharge capabilities of the local groundwater basin. The largest area of the project site that may be disturbed would be the southwestern portion of the site where the solar arrays would be located. The ground cover beneath the solar arrays would not be paved, and therefore, the proposed project would not impair the ability of this area of the project site to absorb surface waters, primarily rainfall. Given the relatively small area of new impervious surfaces that would be constructed by the project, the project would not significantly impair groundwater recharge in the area. This is a **less than significant** impact and no mitigation is required.

Responses c), d), e), f): Less than Significant with Mitigation. When land is in a natural or undeveloped condition, soils, mulch, vegetation, and plant roots absorb rainwater. This absorption process is called infiltration or percolation. Much of the rainwater that falls on natural or undeveloped land slowly infiltrates the soil and is stored either temporarily or permanently in underground layers of soil. When the soil becomes completely soaked or saturated with water or the rate of rainfall exceeds the infiltration capacity of the soil, the rainwater begins to flow on the surface of land to low lying areas, ditches, channels, streams, and rivers. Rainwater that flows off of a site is defined as storm water runoff. When a site is in

a natural condition or is undeveloped, a larger percentage of rainwater infiltrates into the soil and a smaller percentage flows off the site as storm water runoff.

The infiltration and runoff process is altered when a site is developed with urban uses. Houses, buildings, roads, and parking lots introduce asphalt, concrete, and roofing materials to the landscape. These materials are relatively impervious, which means that they absorb less rainwater. As impervious surfaces are added to the ground conditions, the natural infiltration process is reduced. As a result, the volume and rate of storm water runoff increases. The increased volumes and rates of storm water runoff may result in flooding if adequate storm drainage facilities are not provided.

Development of the project site would place a limited amount of impervious surfaces on an approximately 13-acre portion of the project site where the Plant would be constructed. Development of the project site would potentially increase local runoff production, and would introduce constituents into storm water that are typically associated with urban runoff. These constituents include heavy metals (such as lead, zinc, and copper) and petroleum hydrocarbons. Best management practices (BMPs) will be applied to the proposed site development to limit the concentrations of these constituents in any site runoff that is discharged into downstream facilities to acceptable levels. It is anticipated that stormwater flows from the project site would be directed to the irrigation canals located to the north of the project site.

In order to ensure that stormwater runoff from the project site does not adversely increase pollutant levels in adjacent surface waters and stormwater conveyance infrastructure, Mitigation Measure 11 requires the preparation of a Stormwater Pollution Prevention Plan (SWPPP). As described below, the SWPPP would require the application of best management practices (BMPs) to effectively reduce pollutants from stormwater leaving the site during both the construction and operational phases of the project. The implementation of this mitigation measure would reduce this impact to a **less than significant** level. Additionally, the project is subject to the requirements of Chapter 11.34 of the Tracy Municipal Code – Stormwater Management and Discharge Control. The purpose of this Chapter is to *“Protect and promote the health, safety and general welfare of the citizens of the City by controlling non-stormwater discharges to the stormwater conveyance system, by eliminating discharges to the stormwater conveyance system from spills, dumping, or disposal of materials other than stormwater, and by reducing pollutants in urban stormwater discharges to the maximum extent practicable.”*

This chapter is intended to assist in the protection and enhancement of the water quality of watercourses, water bodies, and wetlands in a manner pursuant to and consistent with the Federal Water Pollution Control Act (Clean Water Act, 33 USC Section 1251 et seq.), Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.) and National Pollutant Discharge Elimination System (“NPDES”) Permit No. CAS000004, as such permit is amended and/or renewed.

Mitigation Measures

Mitigation Measure 11: *The project shall prepare a Storm Water Pollution Prevention Plan (SWPPP) that includes specific types and sources of stormwater pollutants, determine the location and nature of potential impacts, and specify appropriate control measures to eliminate any potentially significant impacts on receiving water quality from stormwater runoff. The SWPPP shall require treatment BMPs that incorporate, at a minimum, the required hydraulic sizing design criteria for volume and flow to treat projected stormwater runoff. The SWPPP shall comply with the most current standards established by the Central Valley RWQCB. Best Management Practices shall be selected from the City's Manual of Stormwater Quality Control Standards for New Development and Redevelopment according to site requirements and shall be subject to approval by the City Engineer and Central Valley RWQCB.*

Responses g), h): Less than Significant. The 100-year floodplain denotes an area that has a one percent chance of being inundated during any particular 12-month period. The risk of this area being flooded in any century is one percent but statistically the risk is almost 40 percent in any 50-year period.

Floodplain zones are determined by the Federal Emergency Management Agency (FEMA) and used to create Flood Insurance Rate Maps (FIRMs). These tools assist cities in mitigating flooding hazards through land use planning. FEMA also outlines specific regulations for any construction, whether residential, commercial, or industrial within 100-year floodplains.

The project site is located within flood zone AE at an elevation of approximately 11 feet (based upon FEMA FIRM Map No. FM0602990570C). Lands within the FEMA-designated 100-year floodplain or Zone A are subject to mandatory flood insurance purchase as required by FEMA. The insurance rating is based on the difference between the base flood elevation (BFE), the average depth of the flooding above the ground surface for a specific area, and the elevation of the lowest floor. Because Tracy participates in the National Flood Insurance Program, it must require development permits to ensure that construction materials and methods will mitigate future flood damage. New construction and substantial improvements of residential structures are also required to “have the lowest floor (including the basement) elevated to or above the base flood level.” Non-residential structures must have their utility systems above the BFE or be of flood-proof construction.

There are no residences or residential structures proposed as part of the project. The project would place non-residential structures within the 100-year flood zone, as mapped by FEMA.

The purpose of Chapter 9.52 of the Tracy Municipal Code –Floodplain Regulations – is to: *“Promote the public health, safety, and general welfare, and to minimize public and private losses due to flood conditions in specific areas by provisions designed: (a) To protect human life and health; (b) To minimize expenditure of public money for costly flood control projects; (c) To minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public; (d) To minimize prolonged business interruptions; (e) To minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in areas of special flood hazard; (f) To help maintain a*

stable tax base by providing for the sound use and development of areas of special flood hazard so as to minimize future flood blight areas; (g) To ensure that potential buyers are notified that property is in an area of special flood hazard; and (h) To ensure that those who occupy the areas of special flood hazard assume responsibility for their actions.” (Prior code Section 9-13.03)

The chapter includes methods and provisions for restricting or prohibiting uses which are dangerous to health, safety, and property due to water hazard or which result in damaging increases in flood height or velocities; requiring that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction; controlling the alteration of natural flood plains, stream channels, and natural protective barriers, which help accommodate or channel flood waters; controlling filling, grading, dredging, and other development which may increase flood damage; and preventing or regulating the construction of flood barriers which will unnaturally divert flood waters or which may increase flood hazards in other areas. This chapter applies to all areas of special flood hazards within the jurisdiction of the City, and includes areas of special flood hazards as identified by the FEMA Flood Insurance Study of the City of Tracy, dated June 18, 1987.

The proposed project would not impact or impede the flow of any surface water resources (rivers or streams) during a flood event. While the project site and the associated structures may be subject to water damage during a flood event, project implementation would not increase the risk of flooding offsite during a storm event. The project must comply with the regulations and standards set forth in Chapter 9.52 of the Tracy Municipal Code. Compliance with these requirements would reduce potential flood damage to structures on-site and would reduce this impact to a **less than significant** level. No additional mitigation is required.

Responses i), j): Less than Significant. The project site is located within the inundation risk area for San Luis Reservoir and New Melones Dam. The safety of dams in California is stringently monitored by the California Department of Water Resources, Division of Safety of Dams. In the unlikely event of a dam failure, there is the potential that the project site could become inundated with water. However, there are no residences proposed within the project site that would place people or residential structures at risk of dam failure. As described above, the project site is located within the 100-year flood zone, compliance with the requirements of Chapter 9.52 of the Tracy Municipal Code would ensure that the elevations of all on-site building pads are elevated above flood levels or that the structures are developed to be otherwise protected from flood waters. The Tracy General Plan EIR (2006) concluded that the risk associated with dam failure within the planning area was less than significant. Implementation of the proposed project would not increase the risk of exposure to dam failure, place new residences within a dam failure inundation zone, nor would it expose people to significant risk of dam failure.

There are no significant bodies of water near the project site that could result in the occurrence of a seiche or tsunami. Additionally, the project site and the surrounding areas are essentially flat, which precludes the possibility of mudflows occurring on the project site. This is a **less than significant** impact and no mitigation is required.

X. LAND USE AND PLANNING - Would the project:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Physically divide an established community?				X
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?			X	
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?		X		

RESPONSES TO CHECKLIST QUESTIONS

Responses a): No Impact. The project site is surrounded by agricultural and industrial lands. Implementation of the proposed project would not divide an established community. There is **no impact** and no mitigation is required.

Responses b): Less than Significant. Implementation of the proposed project would require annexation of the project site into the City of Tracy, a General Plan Amendment (GPA) to designate portions of the site as Industrial (I), and rezoning of the project site to Light Industrial (M-1) to accommodate the proposed uses. The first action that the City of Tracy will take with respect to consideration of the proposed project would be to annex the site into the City limits, approve the GPA and rezone the site to Light Industrial (M-1). Prior to any land use changes, the project site would be under the City's jurisdiction. Therefore, the proposed project is not reviewed for consistency with the policies and objectives of the San Joaquin County General Plan.

As described in the Tracy General Plan, specific uses allowed in the industrial category range from flex/office space to manufacturing to warehousing and distribution. Industrial parcels should have a maximum FAR of 0.5. Ancillary uses, such as restaurants and consumer services, may be allowed to serve the daily needs of the workers. Industrial uses are located to provide proper truck access, buffering from incompatible uses and proximity with rail corridors and transit links. The proposed project would be an allowed use within the Industrial land use designation, and would not conflict with the City's General Plan.

The project would require annexation approval from the San Joaquin Local Agency Formation Commissions (LAFCO). The San Joaquin LAFCO is a state-mandated local agency responsible for: the oversight of boundary changes to cities and special districts; the formation of new agencies, including incorporation of new cities; and the consolidation of existing agencies. The broad goals of LAFCO are to ensure the orderly formation of local government agencies, to preserve agricultural and open space lands, and to discourage urban sprawl.

Annexation Policies and Procedures

The following policies govern LAFCO determinations regarding annexations. In some cases, these policies are summarized.

1. **Spheres and Municipal Service Reviews:** The annexation must be consistent with the internal planning horizon of the SOI and shall normally lie within the first planning increment boundary. The MSR and SOI Plan must demonstrate that adequate services can be provided.
2. **Plan for Services:** Every proposal must include a plan for services consistent with Section 56653 of Government code and the Municipal Services Review demonstrating that the need for services can be met.
3. **Contiguity:** Territory proposed to be annexed must be contiguous to the annexing city or district unless specifically allowed by statute. Territory is not contiguous if the only connection is a strip of land more than 300 feet long and less than 200 wide, that width to be exclusive of highways. A proposed annexation must not result in areas that are difficult to serve.
4. **Development Within Jurisdiction:** Development of vacant or non-prime agricultural lands within the existing City or SOI is encouraged before approval of any proposal which would lead to development outside the SOI of existing open space lands for non-open space uses.
5. **Progressive Urban Pattern:** Annexations shall be progressive steps toward filling in the territory designated by the SOI with growth from inner toward outer areas.
6. **Piecemeal Annexation Prohibited:** Annexations must be consistent with the schedule for annexation that is contained in the agency's Sphere of Influence Plan. LAFCO will modify small piece-meal or irregular annexations, to include additional territory in order to promote orderly annexation and logical boundaries, while maintaining a viable proposal. In such cases, detailed development plans may not be required for those additional areas but compliance with CEQA is required.
7. **Annexation to Eliminate Islands:** This policy is not applicable because the proposed Project would not involve annexation of an island of unincorporated land.
8. **Annexations that Create Islands:** An annexation must not result in the creation of an island of unincorporated territory or otherwise distort existing boundaries. LAFCO may approve such an annexation if the application of this policy would be detrimental to the orderly development of the community and a reasonable effort has been made to include the island in the annexation but that inclusion is not feasible. This policy is not applicable because the proposed Project would not create an island of unincorporated land.

9. **Substantially Surrounded:** The subject territory of an annexation proposal shall be deemed “substantially surrounded” if it is within the sphere of influence of the affected city and two-thirds (66-2/3%) of its boundary is surrounded by the affected city. This policy is not applicable to the proposed Project because it pertains to island annexations.
10. **Definite and Certain Boundaries:** All boundaries shall be definite and certain and conform to lines of assessment or ownership.
11. **Service Requirements:** This policy is not applicable to the proposed project because it pertains to annexations to provide services.
12. **Adverse Impacts of Annexation of Other Agencies:** LAFCO will consider any significant adverse effects upon other service recipients or other agencies serving the area and may condition any approval to mitigate such impacts.
13. **District’s Proposal to Provide New, Different, or Divestiture of a Particular Function of Class of Services:** This policy is not applicable to the proposed Project because it pertains to districts that provide services.

The Project proposes to annex the Project site into the City. At the time LAFCO considers the annexation application, it must be consistent with LAFCO policies. The proposed Project would be consistent with Policy 1, which requires annexations to be within the internal planning horizon of the Sphere of Influence. It also stipulates that approval of the annexation is dependent on demonstration in the Municipal Service Review (MSR) and Sphere of Influence (SOI) Plan that adequate services can be provided to the annexed area. The Project site is within the first planning increment boundary of the City’s existing SOI. LAFCO is currently in receipt and is reviewing but has not yet adopted the City’s MSR or SOI Update. However, these documents would be in place prior to consideration of the annexation request and would demonstrate that adequate services would be provided.

Policy 2 requires annexation proposals to include a Plan for Services. When the application for annexation is submitted to LAFCO, it would include a Plan for Services that addresses the items identified in Section 56653 of the California Government Code.

The proposed Project would also be consistent with Policy 3, which requires the annexation to be contiguous to the City. The project site is immediately contiguous to the City of Tracy along its southern boundary. Policy 4 requires development of urban uses within the existing jurisdiction or Sphere of Influence before development of existing open space for non-open space uses is allowed outside the jurisdiction or existing Sphere of Influence. The proposed project would develop land that is contiguous to existing urban development within the City and is within the City’s Sphere of Influence.

The Project would result in progressive steps toward filling in the territory designated by the City’s Sphere of Influence for future development and would not represent piece meal annexation, consistent with Policies 5 and 6. The proposed annexation would also conform to

the lines of assessment and property ownership, consistent with Policy 10. Finally, pursuant to Policy 12, the proposed annexation would not result in impacts on other service recipients or agencies serving the area.

As described above, the proposed project would be consistent with LAFCO requirements and the City's General Plan. This is considered a **less than significant** impact and no mitigation is required.

Response c): Less than Signification with Mitigation. The project site is located within the jurisdiction of the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan ("Plan" or "SJMSCP") and is located within the Central/Southwest Transition Zone of the SJMSCP. The San Joaquin Council of Governments (SJCOG) prepared the Plan pursuant to a Memorandum of Understanding adopted by SJCOG, San Joaquin County, the United States Fish and Wildlife Service (USFWS), the California Department of Fish and Game (CDFG), Caltrans, and the cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy in October 1994. On February 27, 2001, the Plan was unanimously adopted in its entirety by SJCOG. The City of Tracy adopted the Plan on November 6, 2001.

According to Chapter 1 of the SJMSCP, its key purpose is to "provide a strategy for balancing the need to conserve open space and the need to convert open space to non-open space uses, while protecting the region's agricultural economy; preserving landowner property rights; providing 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 Federal Endangered Species Act (ESA) or the California Endangered Species Act (CESA); providing and maintaining multiple use Open Spaces which contribute to the quality of life of the residents of San Joaquin County; and, accommodating a growing population while minimizing costs to project proponents and society at large."

In addition, the goals and principles of the SJMSCP include the following:

- Provide a County-wide strategy for balancing the need to conserve open space and the need to convert open space to non-open space uses, while protecting the region's agricultural economy.
- Preserve landowner property rights.
- 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 CESA.
- Provide and maintain multiple-use open spaces, which contribute to the quality of life of the residents of San Joaquin County.
- Accommodate a growing population while minimizing costs to project proponents and society at large.

In addition to providing compensation for conversion of open space to non open space uses, which affect plant and animal species covered by the SJMSCP, the SJMSCP also provides some

compensation to offset impacts of open space conversions on non-wildlife related resources such as recreation, agriculture, scenic values and other beneficial open space uses. Specifically, the SJMSCP compensates for conversions of open space to urban development and the expansion of existing urban boundaries, among other activities, for public and private activities throughout the County and within Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy.

Participation in the SJMSCP is voluntary for both local jurisdictions and project applicants. Only agencies adopting the SJMSCP would be covered by the SJMSCP. Individual project applicants have two options if their project is located in a jurisdiction participating in the SJMSCP: mitigating under the SJMSCP or negotiating directly with the state and/or federal permitting agencies. If a project applicant opts for SJMSCP coverage in a jurisdiction that is participating under the SJMSCP, the following options are available, unless their activities are otherwise exempted: pay the appropriate fee; dedicate, as conservation easements or fee title, habitat lands; purchase approved mitigation bank credits; or, propose an alternative mitigation plan.

Responsibilities of permittees covered by the SJMSCP include, collection of fees, maintenance of implementing ordinances/resolutions, conditioning permits (if applicable), and coordinating with the Joint Powers Authority (JPA) for Annual Report accounting. Funds collected for the SJMSCP are to be used for the following: acquiring Preserve lands, enhancing Preserve lands, monitoring and management of Preserve lands in perpetuity, and the administration of the SJMSCP. Because the primary goal of SJMSCP to preserve productive agricultural use that is compatible with SJMSCP's biological goals, most of the SJMSCP's Preserve lands would be acquired through the purchase of easements in which landowners retain ownership of the land and continue to farm the land. These functions are managed by San Joaquin Council of Governments.

The proposed project is an annexation of land into an existing incorporated city limits and is located immediately adjacent to the boundaries of the defined community, which falls into the category of "Unmapped Land Use Project" under the SJMSCP. Projects in this category are subject to a case-by-case review by a Technical Advisory Committee (TAC) to ensure that the biological impacts of the proposed project are within the parameters established by the SJMSCP and the Biological Opinion.

"Unmapped Land Use Projects" that seek coverage under the SJMSCP are required to complete the *"Section 8.2.1(10) Checklist for Unmapped SJMSCP Projects"* with supporting documentation for SJCOG to review and confirm that the proposed project is consistent with the SJMSCP and the Biological Opinion. If the TAC confirms that the proposed project is consistent with the SJMSCP, they will recommend to the Joint Powers Authority that the project receive coverage under the SJMSCP. As required by Mitigation Measure 5, the City must submit a Biological Assessment and SJMSCP Coverage Application to the San Joaquin Council of Governments (SJCOG) to include the project site in the SJMSCP. Compliance with this required would ensure that the project has a **less than significant** impact related to this environmental topic.

XI. MINERAL RESOURCES -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?			X	
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?			X	

RESPONSES TO CHECKLIST QUESTIONS

Responses a), b): Less than Significant. As described in the Tracy General Plan EIR, the main mineral resources found in San Joaquin County, and the Tracy Planning Area, are sand and gravel (aggregate), which are primarily used for construction materials like asphalt and concrete. According to the California Geological Survey (CGS) evaluation of the quality and quantity of these resources, the most marketable aggregate materials in San Joaquin County are found in three main areas:

- ♦ In the Corral Hollow alluvial fan deposits south of Tracy
- ♦ Along the channel and floodplain deposits of the Mokelumne River
- ♦ Along the San Joaquin River near Lathrop

Figure 4.8-1 of the General Plan EIR identifies Mineral Resource Zones (MRZs) throughout the Tracy Planning Area. The project site is located within an area designated as MRZ-1. The MRZ-1 designation applies to areas where adequate information indicates that no significant mineral deposits are present or where it is judged that little likelihood exists for their presence. Therefore, the project would not result in the loss of availability of a known mineral resource. In the event that mineral resources were determined in the future to be present on the project site, implementation of the project would not preclude the ability to extract these resources in the future. Therefore, this impact is considered **less than significant**

XII. NOISE -- WOULD THE PROJECT RESULT IN:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			X	
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?			X	
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				X
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				X

RESPONSES TO CHECKLIST QUESTIONS

Responses a), c): Less than Significant. Generally, a project may have a significant effect on the environment if it will substantially increase the ambient noise levels for adjoining areas or expose people to severe noise levels. In practice, more specific professional standards have been developed. These standards state that a noise impact may be considered significant if it would generate noise that would conflict with local planning criteria or ordinances, or substantially increase noise levels at noise-sensitive land uses.

There are no existing noise sensitive land uses adjacent to the project site. The project site is located in an agricultural and industrial area that generally has a relatively high level of ambient background noise throughout the day. There nearest noise sensitive land uses are residences located approximately 0.5 miles to the south of the site.

A review of noise studies conducted for comparable facilities indicated that the project would be expected to generate average hourly daytime noise levels of less than 65 dBA at the property line. This noise level is within the thresholds established by the Tracy General Plan, and would not constitute a significant increase in ambient noise levels. The Tracy General Plan establishes

noise levels for district zones. The project site is surrounded by industrial and agricultural zones, each of which have established 75 dBA as the maximum hourly average noise level.

Project implementation would result in an increase in daily vehicle and truck trips to the project site. However, these trips would be dispersed throughout the day, and are not anticipated to generate more than 7 additional trips in any given hour throughout the day. The majority of new vehicle trips generated by the project would occur during the daytime, when sensitivity to noise is reduced (when compared to nighttime noise sensitivity). The project site is located within an area designated and zoned for industrial uses, and the ambient background noise levels are relatively high under existing conditions.

This increase in daily vehicle trips would not significantly increase the ambient traffic noise levels in the project vicinity and would not result in a violation of any established noise thresholds in the project vicinity.

Due to the project's projected noise levels' compliance with the General Plan, and the lack of sensitive receptors in the project vicinity, this impact is considered **less than significant** and no mitigation is required.

Responses b), d): Less than Significant. Operation of the proposed project would not result in groundborne vibrations. Construction of the project may result in temporary increases in ambient noise levels from the use of heavy machinery and equipment used during construction. Pile driving or blasting would not be required for project construction, and therefore, groundborne vibration would not occur during construction activities. Additionally, as described above, the project site is not located near any sensitive noise receptors. Construction activities associated with the project are required to occur during the daytime hours between 7:00 a.m. and 7:00 p.m., which would ensure that construction noise does not increase ambient nighttime noise levels in the project vicinity. Additionally, construction noise would be temporary, and limited to the time needed to complete site preparation activities. This is considered a **less than significant** impact and no mitigation is required.

Responses e) and f): No Impact. The project site is not located within two miles of a public airport or a private airstrip. There is **no impact**.

XIII. POPULATION AND HOUSING -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			X	
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?			X	
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?			X	

RESPONSES TO CHECKLIST QUESTIONS

Responses a), b), c): Less than Significant. Implementation of the project would not directly result in population growth, nor would it convert any land use designations to a use that would allow for the construction of housing. The proposed project will not generate a significant number of new jobs which could lead indirectly to population growth.

The project would not extend water, wastewater and electrical infrastructure to an area that could result in indirect population growth as a result of new infrastructure, as the lands surrounding the site would remain under their current agricultural and industrial designations, and the extension of infrastructure to the site would not facilitate the construction of housing in an area that is not currently served by infrastructure.

There are no homes or residents currently located on the project site, and therefore, no homes or people would be displaced as a result of project implementation. These impacts are considered **less than significant** and no mitigation is required.

XIV. PUBLIC SERVICES

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
i) Fire protection?			X	
ii) Police protection?			X	
iii) Schools?			X	
iv) Parks?			X	
v) Other public facilities?			X	

*RESPONSES TO CHECKLIST QUESTIONS***Response a): Less than Significant.****Fire Protection and Emergency Medical Services**

The Tracy Fire Department, as a member agency of the South County Fire Authority, provides fire protection, life safety, and emergency response services to 167 square miles of the southern part of San Joaquin County. In 1999, the South County Fire Authority was established to more effectively and efficiently serve the City of Tracy, the Tracy Rural Fire Protection District (FPD), and the Mountain House Community Services District (CSD).

The Fire Authority currently operates seven fire stations and an administrative office. Twenty-four hour-a-day staffing is provided with five paramedic engine companies, two basic life support engine companies, and one ladder truck company. Three fire stations are within the incorporated area of the City of Tracy, three are in the surrounding rural Tracy area, and one is located in the planned Community of Mountain House.

Medical transport is provided by private ambulance. American Medical Response is the exclusive emergency ambulance service provider in San Joaquin County.

The Tracy Fire Department has 74.94 full-time equivalent (FTE) fire fighters/ fire station staff, and an additional 4.30 FTE civilian staff. The 2010 ratio of fire fighters per 1,000 population was 0.9 certified fire fighters per 1,000 population.

The Tracy Fire Department conducted a Standards of Response Coverage study in late 2007. Findings of the study indicated that the Department has challenges in meeting its established response time objectives in the areas of the West Valley Mall and Downtown Tracy utilizing existing resources. The Department is currently in the process of mitigating the deficiency in the area of the West Valley Mall through the potential relocation of an existing fire station. Future development will create a need for expanded fire and emergency medical services.

Currently the Department is working on a plan to expand its ability to deliver Advanced Life Support services from all seven Fire Department facilities. Since November 2008, the Fire Department has expanded its provision of Advanced Life Support Services to six of the seven fire stations; there are plans to provide these services from the final station upon successful relocation of the facility, which is expected to be completed in fiscal year 2012/2013. Emergency medical services in Tracy and the surrounding areas are reported to be good, as Tracy is one of only three fire departments in San Joaquin County that provide Advanced Life Support services, and there are no reported concerns about the level of service provided.

Recognizing the potential need for increases in fire protection and emergency medical services, the City's General Plan includes policies to ensure that adequate related facilities are funded and provided to meet future growth (Objective PF-1.1, P1). This policy will be implemented through the review of all new projects within the SOI, prior to development, and through the collection of development impact fees for the funding of facilities,

The project site and the surrounding area is served by Fire Station #96, which is currently located at 301 West Grantline Road, approximately 1 mile south-southwest of the project site. The Tracy Fire Department is currently in the process of relocating Station #96 to 1800 West Grantline Road, which is approximately 1.5 miles southwest of the project site. The City owns the land at the new site of Station #96, and has identified the relocated fire station as a Capital Improvement Project (CIP 71061). The contract to begin improvements on the site was approved by the Tracy City Council on August 2, 2011. The relocated Station #96 will be operated by the same staff as the existing Station #96 and is scheduled to begin operating in 2013. The project site is located within the Fire Department's 5-minute response zone.

Implementation of the proposed project would not adversely impact existing fire and emergency services within the City, and would not require the construction of new fire protection facilities.

In order to provide adequate fire protection and suppression services to the project site, the Tracy Fire Department must have access to adequate onsite hydrants with adequate fire-flow pressure available to meet the needs of fire suppression units. The final site plans and development specifications developed for the proposed project will indicate the location and design specifications of the fire hydrants that will be required within the project site.

Police Protection

The Tracy Police Department provides police protection services to the City of Tracy. Its headquarters are located at 1000 Civic Center Drive, and there are no satellite offices or plans

to construct any in the near future (General Plan Draft EIR, 2006). The Department currently employs 91 officers, and responded to over 72,500 calls for service in 2008. The Department also has 43 non-sworn positions, which include both full- and part-time administrators, communications dispatchers, community services personnel, animal control, crime scene technicians, and a records superintendent. The City has a goal of a 5-minute response time for Priority 1 calls (life threatening situations).

The police station is located approximately 2.25 miles from the project site. The Department divides calls for service into three categories:

- Priority 1 calls are defined as life threatening situations.
- Priority 2 calls are not life threatening, but require immediate response.
- Priority 3 calls cover all other calls received by the police.

The average response time for Priority 1 calls within the City limits is approximately seven to nine minutes. Response time for Priority 2 and 3 calls is, on average, between 20 and 30 minutes. The Tracy Police Department provides mutual aid to the San Joaquin County Sheriff's office, and vice versa, when a situation exceeds the capabilities of either department. Mutual aid is coordinated through the San Joaquin County Sheriff.

It is not anticipated that implementation of the proposed project would result in significant new demand for police services. Project implementation would not require the construction of new police facilities to serve the project site, nor would it result in impacts to the existing response times and existing police protection service levels.

Schools, Parks and Other Public Facilities

The proposed project would not result in population growth in the City of Tracy. Since the project would not result in population growth, implementation of the project would not result in increased enrollment in area schools, which could lead to impacts, nor would the project increase demand for parks or other public facilities.

As described above, the proposed project would not increase demand for fire, police or emergency services. Nor would the project increase demand for schools, parks or other public facilities. This is a **less than significant** impact and no mitigation is required.

XV. RECREATION

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				X
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?				X

RESPONSES TO CHECKLIST QUESTIONS

Responses a), b): No Impact. The proposed project would not increase the use of existing recreational facilities, nor would it include the construction of new recreational facilities. There is **no impact**.

XVI. TRANSPORTATION/TRAFFIC -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?			X	
b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?			X	
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
e) Result in inadequate emergency access?				X
f) Result in inadequate parking capacity?			X	
g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?				X

RESPONSES TO CHECKLIST QUESTIONS

Response a), b): Less than Significant. The proposed project would result in minimal increases in traffic in the project area. The Plant would operate 24 hours per day, and would utilize seven to nine employees per shift. Additionally, the project may require up to 20 truck trips per day associated with biomass fuel deliveries. These trips are anticipated to occur throughout the day, and would not be concentrated during peak travel hours. A worst-case scenario is that the project could generate up to 14 additional vehicle trips in any given hour (nine employee trips and five truck trips). The addition of 14 additional vehicle trips in an hour does not constitute a significant increase in traffic, nor would it result in a decreased level of service on area roadways or intersections. This is considered a **less than significant** impact and no mitigation is required.

Response c): No Impact. The project site is not located in the vicinity of a public airport or private airstrip. Project implementation would have **no impact** on air traffic patterns.

Responses d) and e): No Impact. There are no roadway design improvements proposed as part of the project, and therefore, no changes to the area roadways would occur. Emergency access to the project site would be provided to the project site from Arbor Avenue. As described above, the project would result in minimal traffic impacts, and would not increase area traffic to a point where emergency access would be impeded. There is **no impact**.

Response f): Less than Significant. Implementation of the proposed project would not result in a significantly increased demand for parking at the project site. Vehicle trips to the project site include employee trips and trucks carrying biomass fuel. The project site plans will include adequate parking for employee vehicles, and a fuel delivery area will be maintained that will allow for adequate truck access. This is a **less than significant** impact and no mitigation is required.

Response g): No Impact. The project would have no impact on any existing plans or policies related to alternative transportation. There is **no impact**.

XVII. UTILITIES AND SERVICE SYSTEMS -- WOULD THE PROJECT:

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				X
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				X
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the projects projected demand in addition to the providers existing commitments?				X
f) Be served by a landfill with sufficient permitted capacity to accommodate the projects solid waste disposal needs?				X
g) Comply with federal, state, and local statutes and regulations related to solid waste?				X

RESPONSES TO CHECKLIST QUESTIONS

Responses a): No Impact. The primary objective and purpose of the proposed project is to reduce salinity levels in the wastewater treated at the adjacent Tracy WWTP. The proposed project would effectively treat the wastewater to near potable levels, which would assist the Tracy WWTP in meeting water quality standards for discharges to the Delta. The proposed project would result in a beneficial impact to wastewater treatment, and as such, there is **no impact**.

Responses b): Less than Significant. As described throughout this document, the proposed project would be constructed and operated to further treat wastewater treated at the Tracy WWTP. The potential environmental impacts associated with the construction of new wastewater treatment facilities has been addressed throughout this document, and mitigation measures have been included that would reduce all potential project impacts to a **less than significant** level.

Responses c): Less than Significant. The proposed project would result in the limited increase of impervious surfaces on the project site, and would not require the construction of stormwater or drainage infrastructure beyond the project site boundaries. Potential impacts associated with construction activities on the project site have been addressed throughout this document, and mitigation measures to protect water quality and reduce environmental impacts have been required. This is a **less than significant** impact and no additional mitigation is required.

Responses d): No Impact. The primary objective and purpose of the proposed project is to reduce salinity levels in the wastewater treated at the adjacent Tracy WWTP. The proposed project would effectively treat the wastewater to near potable levels, which would assist the Tracy WWTP in meeting water quality standards for discharges to the Delta. The proposed project would not result in increased demand for potable water, and as such, there is **no impact**.

Responses e): No Impact. The primary objective and purpose of the proposed project is to reduce salinity levels in the wastewater treated at the adjacent Tracy WWTP. The proposed project would effectively treat the wastewater to near potable levels, which would assist the Tracy WWTP in meeting water quality standards for discharges to the Delta. The proposed project would not result in the increased generation of wastewater, and as such, there is **no impact**.

Responses f), g): No impact. The proposed project would not generate significant volumes of solid waste. The proposed project would burn biomass fuels in the form of agricultural woody waste, urban wood waste and other biomass such as urban tree trimmings. It is likely that a portion of this biomass fuel stream might otherwise be disposed of in landfills if it were not used as fuel for the project. Therefore, the proposed project would likely result in a net reduction in solid waste sent to landfills. The only residual byproduct generated by the project, other than electricity and clean water, is salt, which would be removed from the treated wastewater. The project applicant intends to sell or distribute the accumulated salt to commercial enterprises for use on the open market. Salt may be disposed of in landfills in limited quantities, but would not result in any conflicts related to the disposal of solid waste or exceed the permitted capacity of a landfill. There is **no impact**.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE --

	<i>Potentially Significant Impact</i>	<i>Less Than Significant with Mitigation Incorporation</i>	<i>Less Than Significant Impact</i>	<i>No Impact</i>
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?			X	
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?			X	
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?			X	

RESPONSES TO CHECKLIST QUESTIONS

Responses a), b), c): Less than Significant. As described throughout the analysis above, the proposed project would not result in any significant impacts to the environment. The proposed project is required to implement mitigation measures that would reduce any potentially significant impacts to a less than significant level. The project would not result in any cumulative impacts, impacts to biological resources or impacts to cultural and/or historical resources. These are **less than significant** impacts.



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



December 13, 2011

Scott Claar
City of Tracy
Development & Engineering Services
333 Civic Center Plaza
Tracy, CA 95376

RECEIVED

DEC 14 2011

CITY OF TRACY
D.E.S.

Project: MND/IS – Tracy Desalination & Green Energy Project
District CEQA Reference No: 20110547

Dear Mr. Claar,

The San Joaquin Valley Unified Air Pollution Control District (District) has reviewed the project referenced above consisting of constructing and operating a 1.2 million gallons per day (gpd) desalination plant, located at Holly Drive and Arbor Avenue, in Tracy, CA. The District offers the following comments:

1. Based on information provided to the District, project specific emissions of criteria pollutants are not expected to exceed District significance thresholds of 10 tons/year NOX, 10 ton/year ROG, and 15 tons/year PM10. Therefore, the District concludes that project specific criteria pollutant emissions would have no significant adverse impact on air quality.
2. The District has reviewed the information provided and has determined this is a development project for a facility whose primary functions are subject to Rule 2201 (New and Modified Stationary Source Review Rule) or Rule 2010 (Permits Required) pursuant to District Rule 9510, Section 4.4.3. Therefore, the District concludes that the proposed project is not subject to District Rule 9510 (Indirect Source Review).
3. The proposed project may be subject to District Rules and Regulations, including: Regulation VIII (Fugitive PM10 Prohibitions), Rule 4102 (Nuisance), Rule 4601 (Architectural Coatings), and Rule 4641 (Cutback, Slow Cure, and Emulsified Asphalt, Paving and Maintenance Operations). In the event an existing building will be renovated, partially demolished or removed, the project may be subject to District Rule 4002 (National Emission Standards for Hazardous Air Pollutants). The above list of rules is neither exhaustive nor exclusive. To identify other District rules or regulations that apply to this project or to obtain information about District permit requirements, the applicant is strongly encouraged to contact the District's Small Business Assistance Office at (559) 230-5888. Current District rules can be found online at: www.valleyair.org/rules/1ruleslist.htm

Sayed Sadredin

Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

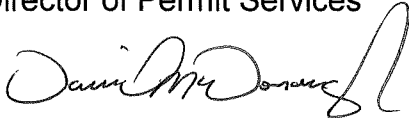
Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585

4. The District recommends that a copy of the District's comments be provided to the project proponent.

If you have any questions or require further information, please call David McDonough, at (559) 230-5920.

Sincerely,

David Warner
Director of Permit Services



For, Arnaud Marjollet
Permit Services Manager

DW: dm

Cc: File



California Regional Water Quality Control Board

Central Valley Region

Katherine Hart, Chair



Matthew Rodriquez
Secretary for
Environmental Protection

11020 Sun Center Drive, #200, Rancho Cordova, California 95670-6114
(916) 464-3291 • FAX (916) 464-4645
<http://www.waterboards.ca.gov/centralvalley>

Edmund G. Brown Jr.
Governor

12 December 2011

RECEIVED

DEC 13 2011

CITY OF TRACY
CALIF.

CERTIFIED MAIL

7010 3090 0000 5045 2996

Scott Claar, Associate Planner
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

COMMENTS TO DRAFT MITIGATED NEGATIVE DECLARATION, TRACY DESALINATION AND GREEN ENERGY PROJECT, SCH NO. 2011122004, SAN JOAQUIN COUNTY

Pursuant to the State Clearinghouse's 1 December 2011 request, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) has reviewed the *Draft Mitigated Negative Declaration* for the Tracy Desalination and Green Energy Project, located in San Joaquin County.

Our agency is delegated with the responsibility of protecting the quality of surface and groundwaters of the state; therefore our comments will address concerns surrounding those issues.

Construction Storm Water General Permit

Dischargers whose project disturb one or more acres of soil or where projects disturb less than one acre but are part of a larger common plan of development that in total disturbs one or more acres, are required to obtain coverage under the General Permit for Storm Water Discharges Associated with Construction Activities (Construction General Permit), Construction General Permit Order No. 2009-009-DWQ. Construction activity subject to this permit includes clearing, grading, grubbing, disturbances to the ground, such as stockpiling, or excavation, but does not include regular maintenance activities performed to restore the original line, grade, or capacity of the facility. The Construction General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP).

For more information on the Construction General Permit, visit the State Water Resources Control Board website at:

http://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml

Phase I and II Municipal Separate Storm Sewer System (MS4) Permits¹

The Phase I and II MS4 permits require the Permittees reduce pollutants and runoff flows from new development and redevelopment using Best Management Practices (BMPs) to the maximum extent practicable (MEP). MS4 Permittees have their own development standards, also known as Low Impact Development (LID)/post-construction standards that include a hydromodification component. The MS4 permits also require specific design concepts for LID/post-construction BMPs in the early stages of a project during the entitlement and CEQA process and the development plan review process.

For more information on which Phase I MS4 Permit this project applies to, visit the Central Valley Water Board website at:

http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/municipal_permits/

Industrial Storm Water General Permit

Storm water discharges associated with industrial sites must comply with the regulations contained in the Industrial Storm Water General Permit Order No. 97-03-DWQ.

For more information on the Industrial Storm Water General Permit, visit the Central Valley Water Board website at:

http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/industrial_general_permits/index.shtml.

Clean Water Act Section 404 Permit

If the project will involve the discharge of dredged or fill material in navigable waters or wetlands, a permit pursuant to Section 404 of the Clean Water Act may be needed for the United States Army Corps of Engineers (USACOE). If a Section 404 permit is required by the USACOE, the Central Valley Water Board will review the permit application to ensure that discharge will not violate water quality standards. If the project requires surface water drainage realignment, the applicant is advised to contact the Department of Fish and Game for information on Streambed Alteration Permit requirements.

If you have any questions regarding the Clean Water Act Section 404 permits, please contact the Regulatory Division of the Sacramento District of USACOE at (916) 557-5250.

Clean Water Act Section 401 Permit – Water Quality Certification

If an USACOE permit, or any other federal permit, is required for this project due to the disturbance of waters of the United States (such as streams and wetlands), then a Water Quality Certification must be obtained from the Central Valley Water Board prior to initiation of project activities. There are no waivers for 401 Water Quality Certifications.

¹ Municipal Permits = The Phase I Municipal Separate Storm Water System (MS4) Permit covers medium sized Municipalities (serving between 100,000 and 250,000 people) and large sized municipalities (serving over 250,000 people). The Phase II MS4 provides coverage for small municipalities, including non-traditional Small MS4s, which include military bases, public campuses, prisons and hospitals.

Waste Discharge Requirements

If USACOE determines that only non-jurisdictional waters of the State (i.e., "non-federal" waters of the State) are present in the proposed project area, the proposed project will require a Waste Discharge Requirement (WDR) permit to be issued by Central Valley Water Board. Under the California Porter-Cologne Water Quality Control Act, discharges to all waters of the State, including all wetlands and other waters of the State including, but not limited to, isolated wetlands, are subject to State regulation.

For more information on the Water Quality Certification and WDR processes, visit the Central Valley Water Board website at:

http://www.waterboards.ca.gov/centralvalley/water_issues/water_quality_certification/

If you have questions regarding these comments, please contact me at (916) 464-4745 or gsparks@waterboards.ca.gov.



Genevieve (Gen) Sparks
Environmental Scientist
401 Water Quality Certification Program

cc: State Clearinghouse Unit, Governor's Office of Planning and Research, Sacramento

DEPARTMENT OF TRANSPORTATION

P.O. BOX 2048 STOCKTON, CA 95201
(1976 E. CHARTER WAY/1976 E. DR. MARTIN
LUTHER KING JR. BLVD. 95205)
TTY: California Relay Service (800) 735-2929
PHONE (209) 941-1921
FAX (209) 948-7194



*Flex your power!
Be energy efficient!*

December 21, 2011

10-SJ-205, PM 2.92

**Tracy Desalination & Green Energy
SCH #2011122004**

Scott Claar
Development & Engineering Services Department
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

Dear Mr. Claar,

The California Department of Transportation (Department) appreciates the opportunity to comment on the Initial Study/Mitigated Negative Declaration for the **Tracy Desalination and Green Energy** project. The project site is bounded by Tracy Blvd to the west, Arbor Ave and industrials uses to the south, and agricultural lands to the north. It proposes to construct and operate a desalination treatment plant in the City of Tracy to treat wastewater generated by the Tracy Wastewater Treatment Plant.

Upon review of the project, the Department has the following comments:

The cumulative impacts of the proposed land use development will contribute to the degradation of the level of service on the State Highway System, which will eventually require improvements to accommodate the increase in traffic volumes along mainline and intersection portions. Therefore, the Department recommends that the Lead Agency collects a transportation impact mitigation fee on a "proportional share" basis from the developer to hold until the fee can be contributed towards the local portion of funding for future improvements to the I-205/North MacArthur Drive interchange.

If you have any questions, please contact Sinarath Pheng at (209) 942-6092 ([e-mail: Sinarath_Pheng@dot.ca.gov](mailto:Sinarath_Pheng@dot.ca.gov)) or myself at (209) 941-1921.

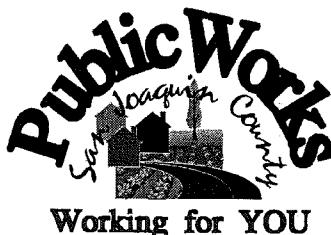
Sincerely,

for TOM DUMAS, CHIEF
OFFICE OF METROPOLITAN PLANNING

c Scott Morgan, State Clearinghouse



THOMAS M. GAU
DIRECTOR



P. O. BOX 1810
1810 E. HAZELTON AVENUE
STOCKTON, CALIFORNIA 95201
(209) 468-3000 FAX (209) 468-2999

FRITZ BUCHMAN
DEPUTY DIRECTOR

MICHAEL SELLING
DEPUTY DIRECTOR

STEVEN WINKLER
DEPUTY DIRECTOR

ROGER JANES
BUSINESS ADMINISTRATOR

DATE: January 3, 2012

TO: City of Tracy
Scott Claar, Associate Planner
Department of Development and Engineering Services
333 Civic Center Plaza
Tracy, CA 95376

SUBJECT: Notice of Intent to Adopt a MND/Initial Study for the Tracy Desalination and Green Energy Project

The San Joaquin County Department of Public Works has reviewed the above-referenced document and has the following concerns:

Public Services Comments:

1. The entire SJC portion of Holly Road & Sugar Road should be annexed into the City of Tracy.
2. The entire SJC portion of Arbor Road should be annexed into the City of Tracy.
3. We will be making comments regarding the remnant piece of Sugar Road during LAFCo referral process.
4. The easterly terminous of Sugar Road will essentially become a private interior drivelane within APN 212-160-10 owned by Spreckels Sugar.

Design Engineering Comments:

1. The structural section for the remaining piece of Arbor within the County is unknown but the condition is poor. Twenty trucks per day may impact the condition. The ISMND should acknowledge what mitigation may be necessary for the structural adequacy of the pavement.

Flood Management Comments:

1. Page 62 – Responses to g), h), change “The 100-year floodplain denotes an area that has a one percent chance of being inundated during any particular 12-month period” to the following: “the 100-year floodplain denotes an area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year”.
2. Page 62 – Responses to g), h), the first sentence of the third paragraph shall be changed to read as follows: “The project site is located within flood zone AE with a base flood elevation of approximately 13 feet referenced to the North American Vertical Datum of 1988 (based upon FEMA FIRM Map No. 06077C0595F, effective October 16, 2009).”
3. Page 62 – Responses to g), h), change the last sentence of the third paragraph to read as follows: “Non-residential structures, including the proposed facilities, shall either be elevated to a minimum of one foot above the 100-year base flood elevation or, in the alternative, together with attendant utility

and sanitary facilities shall be floodproofed (watertight) to at least one foot above the 100-year base flood elevation."

Thank you for the opportunity to be heard. Should you have questions or need additional information regarding the above comments, please contact me at (209) 468-3085.

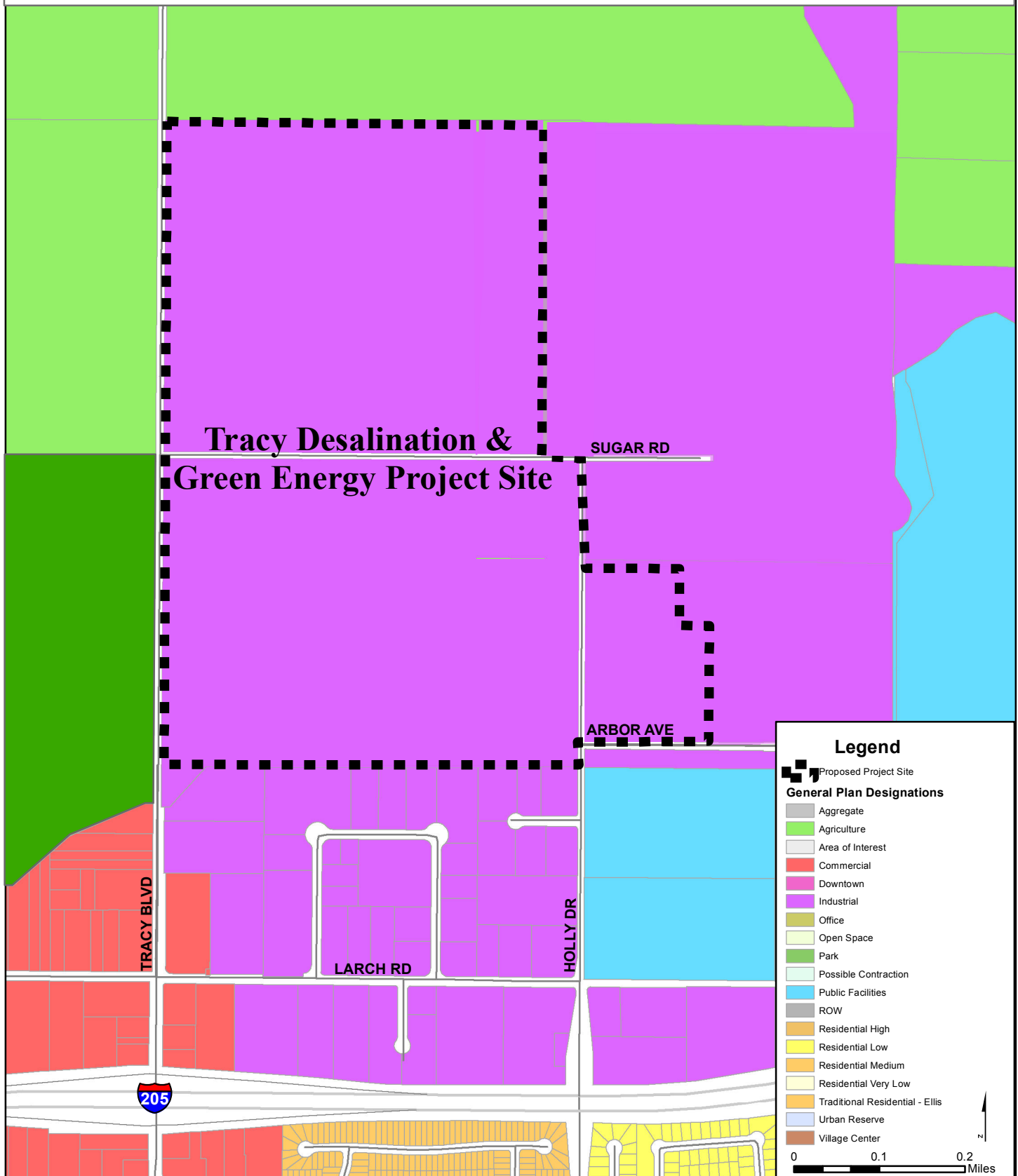
Sincerely,

Mark Hopkins
Senior Planner

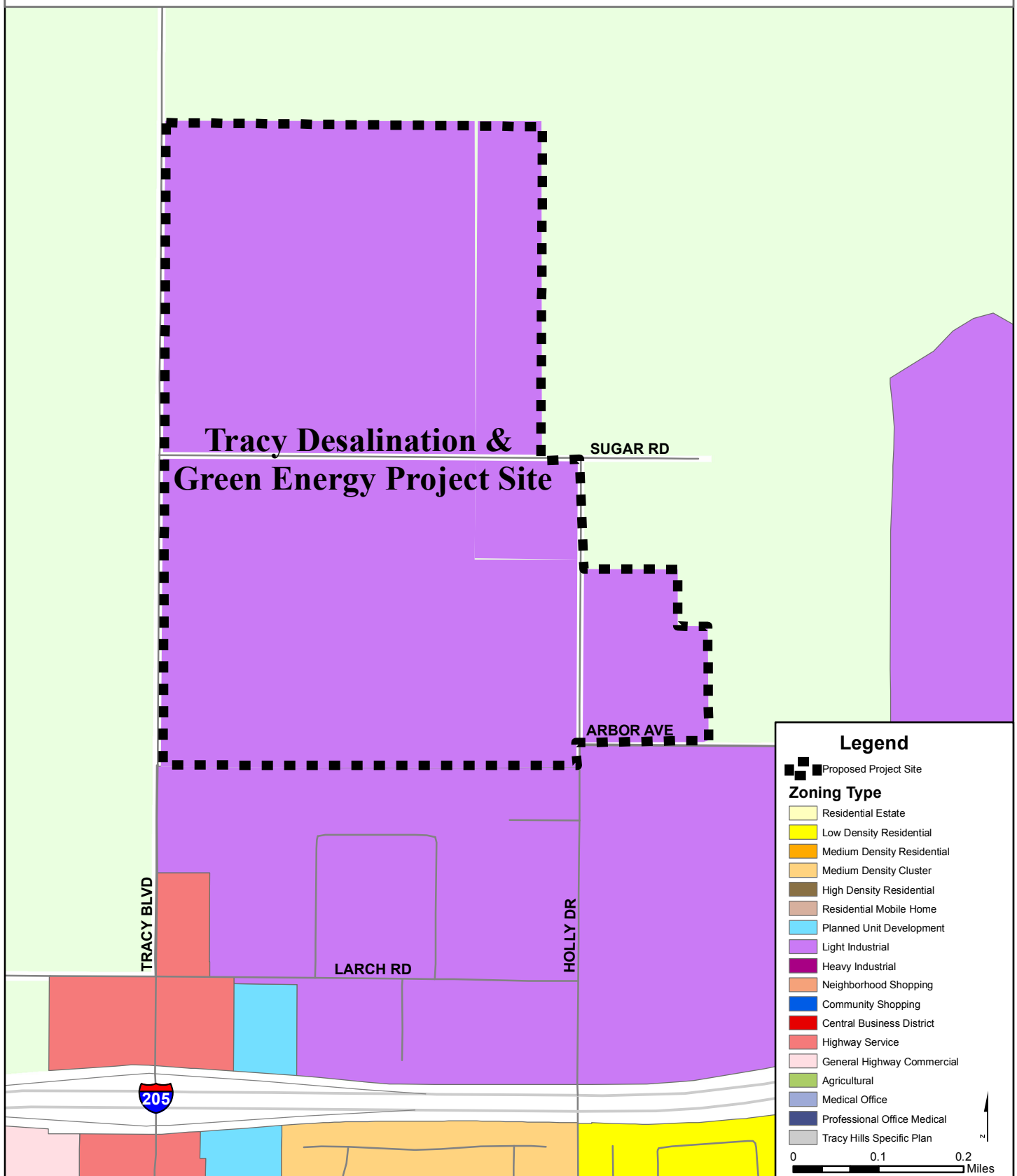
c: Firoz Vohra, Senior Engineer
Alex Chetley, Senior Civil Engineer
Pete Martin, Engineering Services Manager
John Maguire, Engineering Services Manager

Proposed Amendment to the General Plan

Land Use Designation



Proposed Pre-Zoning and Annexation



RESOLUTION 2012-_____

RECOMMENDING ADOPTION OF A MITIGATED NEGATIVE DECLARATION AND A
GENERAL PLAN AMENDMENT, PRE-ZONING AND ANNEXATION TO THE CITY OF TRACY
FOR THE TRACY DESALINATION AND GREEN ENERGY PROJECT
APPLICANT IS TRACY RENEWABLE ENERGY LLC
PROPERTY OWNER IS THE CITY OF TRACY
APPLICATION NUMBERS GPA11-0004 AND A/P11-0001

WHEREAS, The Tracy Desalination and Green Energy Project site consists of approximately 241 acres of City-owned land located east of Tracy Boulevard in the vicinity of Sugar Road, Assessor's Parcel Numbers 212-160-05, 212-160-09, and 212-160-11; and

WHEREAS, The Tracy Desalination and Green Energy Project consists of the following components: construction and operation of an approximately 1,200,000 gallon per day desalination plant to process treated effluent currently generated by the Tracy Wastewater Treatment Plant, a biomass cogeneration energy production component, which would generate approximately 16.4 megawatt-hours of electricity, annexation of the property to the City of Tracy, a General Plan Amendment to designate the site Industrial, and pre-zoning of the site to Light Industrial (M1); and

WHEREAS, In accordance with the California Environmental Quality Act (CEQA) regulations and CEQA Guidelines, an Initial Study and Mitigated Negative Declaration was prepared for the Tracy Desalination and Green Energy Project and is incorporated herein by reference; and

WHEREAS, A General Plan Amendment (both to the text and the Land Use Designation Map) is necessary to change the General Plan designation of the 241-acre Tracy Desalination and Green Energy Project site from Agriculture (Ag) to Industrial (I), Application Number GPA11-0004; and

WHEREAS, The 241-acre Tracy Desalination and Green Energy Project site is proposed to be annexed into the City of Tracy and pre-zoned as Light Industrial Zone (M1), Application Number A/P11-0001; and

WHEREAS, The Planning Commission held a duly noticed public hearing on March 14, 2012 to consider recommendations to City Council regarding adoption of a Mitigated Negative Declaration and a General Plan Amendment, pre-zoning and annexation to the City of Tracy for the 241-acre Tracy Desalination and Green Energy Project site;

NOW, THEREFORE BE IT RESOLVED as follows:

1. Mitigated Negative Declaration. The Planning Commission recommends that the City Council adopt a Mitigated Negative Declaration for the Tracy Desalination and Green Energy Project, Application Numbers GPA11-0004 and A/P11-0001, which is attached to the March 14, 2012 Planning Commission Staff Report as Attachment "B".
2. General Plan Amendment Approval. The Planning Commission recommends that the City Council approve a General Plan Amendment (both to the text and the Land Use Designation Map) designating the 241-acre Tracy Desalination and Green

Energy Project site as Industrial, Application Number GPA11-0004, which is attached to the March 14, 2012 Planning Commission Staff Report as Attachment "D".

3. Pre-zoning and Annexation. The Planning Commission recommends that the City Council pre-zone the 241-acre Tracy Desalination and Green Energy Project site as Light Industrial (M1) and further recommends that the City petition LAFCO for annexation of the property to the City of Tracy.

* * * * *

The foregoing Resolution No. PC 2012-_____ was adopted by the Planning Commission of the City of Tracy on the 14th day of March, 2012, by the following vote:

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

CHAIR

ATTEST:

STAFF LIAISON

AGENDA ITEM 2-C

REQUEST

**PUBLIC HEARING TO ADOPT THE 2009 – 2014 GENERAL PLAN HOUSING
ELEMENT AND CEQA NEGATIVE DECLARATION**

DISCUSSION

Background

Each city and county in California is required by State law to periodically review and revise the General Plan Housing Element. Housing elements span time cycles established by State law. This time cycle is from 2009 through 2014. In general, the Housing Element is required to (1) identify and analyze housing needs for all income levels; (2) contain goals and programs to preserve and develop housing; (3) identify adequate sites for housing; and (4) analyze governmental and nongovernmental constraints upon the maintenance and development of housing.

In April 2010, the Planning Commission and City Council each conducted public meetings to review the Draft Housing Element. In accordance with State law, the Draft Housing Element was then submitted to the State Department of Housing and Community Development (HCD) for review.

In August 2010, HCD submitted comments on the Draft Housing Element, identifying areas where they recommended changes in order to bring the Draft Element into compliance with State housing law.

In December 2010 and March 2011, the City Council conducted public meetings to receive public input on the HCD comments and provide direction to City staff regarding modifications to the Draft Housing Element in response to comments from HCD and the public.

During the ensuing six months, City staff met with HCD staff in Sacramento and submitted revisions of the Draft Housing Element to HCD.

Attachment A is the latest Draft Housing Element submitted to HCD. The attached draft includes underlined and highlighted sections to illustrate the sections that have been changed since the first draft. On October 20, 2011, HCD published correspondence to the City (Attachment B) announcing their conclusions that this latest Draft will comply with State housing law when the programs included in the Draft Housing Element are implemented. In other words, HCD is saying they will “certify” that this Housing Element complies with State housing law if the Element is adopted and implemented by the City.

Proposed “RHNA Exemption”

During the City Council public meetings of the past year to review HCD comments and the City’s proposed responses, there was one primary area that drew criticism. The

Tracy Region Alliance for Quality Community objected to the proposed “RHNA Exemption” to the GMO.

Program 17, beginning on page 124 of the Draft Housing Element, identifies a proposed future change to the City’s Growth Management Ordinance that would exempt the number of new residential building permits from the limits of Measure A needed to meet the City’s Regional Housing Needs Allocation (RHNA).

This is a program the City Council endorsed during their public meeting on March 1, 2011.

Over the past two Housing Element cycles (2003-2009 and 2009-2014), HCD has maintained that the City’s Growth Management Ordinance (GMO), as amended by Measure A, imposes a “governmental constraint” on the production of new housing. During the previous cycle, HCD refused to certify the City’s Housing Element due the constraints of the GMO as amended by Measure A. Generally, Measure A limits the number of new housing units to an annual average of 600 and a maximum of 750 in a calendar year.

Through the State Housing Element process, each city and county is assigned a RHNA for its Housing Element cycle. Tracy’s RHNA for the current cycle is 4,888 units, divided into the four income categories: Very Low, Low, Moderate, and Above Moderate. To date, the City has issued 383 building permits during this RHNA cycle, leaving a balance of 4,504 needed to meet the RHNA. The number of additional units needed to meet the RHNA, by income category, is as follows: Very Low, 907; Low, 582; Moderate, 669; and Above Moderate, 2,346. The numerical limits of the GMO (600 annual average) would not allow a rate of residential construction, during the Housing Element cycle ending in 2014, to achieve the RHNA. With only three years left in the cycle, that would allow only 1,800 new housing units – 2,704 short of the RHNA. Actual housing production in either a strong or weak housing market is not relevant in HCD’s review of the housing element, a further discussed below.

The proposed RHNA Exemption is described in Program 17 of the attached Draft Housing Element (beginning on page 124 of Attachment A). Currently, certain residential building permits are exempt from the limits of Measure A, such as replacement of previously existing dwelling units, a project of four or fewer dwelling units, and secondary residential units (i.e., “granny flats”). The number of permits issued to exempt projects are not included in the 600 annual average or the 750 annual maximum number of new units. Similarly, the proposed RHNA Exemption (which would require a future GMO amendment) would cause the number of permits issued above the 600 annual average (or 750 annual maximum) but below and up to the RHNA in each income category not to be included in the limits of the GMO.

Therefore, the proposed Program 17 could allow the City to issue a number of permits each year beyond the current GMO limits in an amount necessary to satisfy the RHNA. Any new building permits (whether under the RHNA Exemption or not) would only be available to projects that otherwise qualify to obtain building permits (comply with City standards, have approved tentative and final maps, have paid all fees for public services, etc.). In the foreseeable future, however, the RHNA Exemption may have no

impact on housing production because the market for new home construction has been exceptionally weak. In the past five years, for example, Tracy has seen an average of approximately 20 new homes constructed per year.

It is important to note, in accordance with State law, the RHNA is a “planning goal” not a “production goal”. That is, the Housing Element must demonstrate that the City could achieve the RHNA if the demand were present.

CEQA Documentation

A Negative Declaration, including the Initial Study, was prepared for the Draft Housing Element pursuant to the provisions of the California Environmental Quality Act (CEQA) Guidelines (and Public Resources Code Sections 21000-21178) (Attachment C).

The proposed Negative Declaration was published and distributed for a public review period from January 30, 2012 through March 5, 2012. Two public agencies and no other parties submitted comments on the proposed Negative Declaration: the Central Valley Flood Protection Board (Attachment D) and the California Regional Water Quality Control Board (Attachment E). The comments from both of these agencies are attached and kept for the record. They are standard comments regarding construction permits that would apply in the future as development applications for new housing units are submitted to the City. Such potential future development applications would be subject to then-current regulations, including CEQA review. These agencies' comments do not result in changes to the Housing Element or to the Negative Declaration.

The Negative Declaration concludes that, based on the facts identified in the Initial Study, there is no substantial evidence that the project or any of its aspects, either individually or cumulatively, may cause a significant effect on the environment.

Next Steps

Following Planning Commission review, the City Council will consider the Housing Element. Following City Council adoption the Housing Element will then be submitted to HCD for their final review. In accordance with State housing law, HCD has 90 days to conduct their final review. Based on their correspondence regarding the latest Draft Housing Element, City staff anticipates HCD will certify the Housing Element as drafted.

City staff would then prepare amendments to the GMO (indicated earlier) and other code amendments as indicated in the other Housing Element programs for Planning Commission and City Council consideration.

RECOMMENDATION

Staff recommends that the Planning Commission recommend that the City Council adopt the Housing Element Negative Declaration and the 2009-2014 Housing Element.

MOTION

Move that the Planning Commission recommend that the City Council adopt the Housing Element Negative Declaration and the 2009-2014 Housing Element.

Prepared by Alan Bell, Senior Planner
Reviewed by Bill Dean, Assistant Development Services Director
Approved by Andrew Malik, Development Services Director

ATTACHMENTS

Attachment A – 2009 - 2014 Draft Housing Element (October 2011 HCD Draft)
Attachment B – October 20, 2011 Correspondence from State HCD
Attachment C – Proposed Housing Element Negative Declaration
Attachment D – February 16, 2012 Correspondence from the Central Valley Flood Protection Board Regarding the Proposed Negative Declaration
Attachment E – February 20, 2012 Correspondence from the California Regional Water Quality Control Board Regarding the Proposed Negative Declaration



City of Tracy 2009-2014 Housing Element

HCD Draft

October 2011

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

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Appendices

Appendix A: Public Participation
Appendix B: Residential Sites Inventory
Appendix C: Review of Past Accomplishments

I. Introduction

The Housing Element represents an awareness of the need to assure that housing is provided for all economic segments of the community. The Element also satisfies the legal requirements that housing policy be a part of the General Plan. The Tracy Housing Element is prepared for the 2009-2014 update cycle for jurisdictions in the San Joaquin Council of Governments (SJCOG) region.

A. Community Context

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

In January 2009, the City population was estimated to be 81,714, an increase of about 44 percent in the nine years since the 2000 Census. During this same period, the housing stock increased by approximately 41 percent. The growth in population has, in turn, increased diversity within the City. From 1990 to 2000, Tracy became more racially and ethnically diverse. The percentage of Whites dropped from 68 to 56 percent, while the proportion of African Americans, Asian or Pacific Islanders and Hispanics each increased by three to five percent.

The California Department of Finance (DOF) reported an increase in average household size from 3.21 persons per household in 2000 to 3.27 persons in 2009. This trend can be partially attributed to the swell of families with children and the shift in racial and ethnic composition, since Asian and Hispanic households are typically 30 percent larger than White households.

The percentage of owner-occupied housing continued to increase in recent years. The median household income also increased in real terms from \$52,993 to \$62,794 between 1990 and 2000 and the City became proportionally more educated as the percentage of the population with college and graduate degrees increased from 20 percent to 27 percent.

Tracy offers a mix of housing types. Single-family homes make up about 86 percent of the housing stock, the multi-family share is about 12 percent, and mobile homes comprise the remaining two percent. Less than one-third (28 percent) of Tracy's housing stock is at least 30 years old (built before 1980), while approximately 30 percent of the housing stock is less than ten years old (constructed since 2000). Tracy offers a variety of housing rehabilitation programs to prevent the deterioration of older housing in the City.

The median price of a single-family home in Tracy is estimated at about \$245,000, as of October 2009. Apartment rents range from \$642 for a studio apartment to \$1,048 for a three-bedroom unit. Lower income households in the City are unable to afford homeownership; however, affordable rental options for lower-income households in Tracy do exist. The City has been

actively addressing its housing issues by developing affordable housing, improving the existing housing, and providing assistance to households in need.

B. Role of the Housing Element

The Housing Element is concerned with identifying ways in which the housing needs of existing and future residents can be met. The Element covers the planning period of July 1, 2009 through June 30, 2014, and identifies strategies and programs that focus on:

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

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

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

C. Public Participation

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

1. Study Sessions

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

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

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

2. Public Review of Draft Housing Element

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

- City Hall
- City Library
- City website

3. Public Hearings

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

D. Data Sources and Methodology

In preparing the [Housing Element](#), various sources of information are consulted. The 2000 Census provides the basis for population and household characteristics. Although dated, no better source of information on demographics is widely accepted. In addition, the 2000 Census

must be used in the Housing Element to ensure consistency with other regional, State, and Federal housing plans. However, several sources are used to provide reliable updates to the 2000 Census, including the following:

- 2006-08 American Community Survey by the Census Bureau¹
- Population and demographic data updated by the State Department of Finance
- Housing market information, such as home sales and rents, from Dataquick and Realtytrack
- Lending patterns from the Home Mortgage Disclosure Act (HMDA) database
- Labor statistics from California Employment Development Department

E. General Plan Consistency

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

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

¹ Due to the small sample sizes used in the American Community Survey (ACS), the data tend to contain large margins of errors. As such, the ACS is used to provide additional reference to current conditions but the official 2000 Census data are used as the basis for analysis.

II. Housing Needs Assessment

The City strives to achieve a balanced housing stock that meets the varied needs of all income segments of the community. To understand the City's housing needs, the nature of the existing housing stock and the housing market are comprehensively evaluated. This section of the Housing Element discusses the major components of housing needs in Tracy, including population, household, economic and housing stock characteristics. Each of these components is presented in a regional context, and, where relevant, in the context of other nearby communities. This assessment serves as the basis for identifying the appropriate goals, policies, and programs for the City to implement during the 2009-2014 Housing Element cycle.

A. Population Characteristics

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

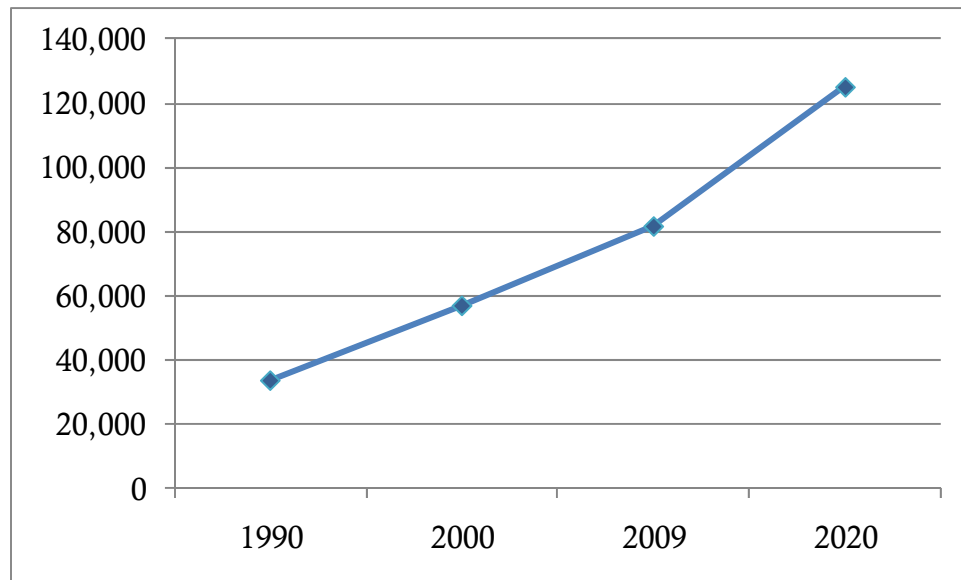
1. Population Growth Trends

A dominant factor in community planning for Tracy has been the increase in population between 2000 and 2009, and associated housing construction. With the population growth, Tracy has become more diverse racially and ethnically, larger family-households have become more prevalent, and homeownership rates have increased.

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

[Table 1](#) presents the latest available California Department of Finance (DOF) estimates for the Tracy population and housing stock. The 2009 population was approximately 81,714. The City's population growth is projected by the San Joaquin Council of Governments (SJCOG) to remain strong, exceeding that of surrounding cities. According to San Joaquin County Council of Governments projections, between 2009 and 2020, the Tracy population is estimated to grow to approximately 125,192, an increase of 53 percent. SJCOG figures are based on historical and regional trends estimates, and do not take into account any growth management measures (such as Measure A in Tracy). The Growth Management Ordinance may result in a reduced level of population growth compared to SJCOG estimates. As amended by voter initiative (Measure A) in 2000, the City's Growth Management Ordinance would limit Tracy's population to approximately 100,000 people by 2020 if housing construction resumes to the maximum rate permitted by the Growth Management Ordinance and assuming an average of 50 affordable units constructed per year. The current economic recession has also slowed population growth in the region compared to previous projections by SJCOG.

Figure 1: Population Growth Trends



Sources:

1. Bureau of the Census, 1990 and 2000.
2. California Department of Finance, 2009.
3. San Joaquin Council of Governments – Population Projections, 2004.

Table 1: Population Growth Trends

Jurisdiction	1990	2000	2009	2020	Population Growth		
					1990-2000	2000-2009	2009-2020
Escalon	4,437	5,963	7,163	9,410	34.4%	20.1%	31.4%
Lathrop	6,841	10,445	17,671	24,144	52.7%	69.2%	36.6%
Lodi	51,874	56,999	63,313	73,130	9.9%	11.1%	15.5%
Manteca	40,773	49,258	67,754	85,605	20.8%	37.5%	26.3%
Stockton	210,943	243,771	290,409	366,332	15.6%	19.1%	26.1%
Tracy	33,558	56,929	81,714	125,192	69.6%	43.5%	53.2%
County Total	480,628	563,598	689,480	888,536	17.3%	22.3%	28.9%

Sources:

1. Bureau of the Census, 1990 and 2000.
2. California Department of Finance, 2009.
3. San Joaquin Council of Governments – Population Projections, 2004.

2. Age Characteristics

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

Between 1990 and 2000, the number of persons between the ages of 18 and 24 in Tracy decreased by two percent ([Table 2](#)). This is an age group that, in many communities, is relatively transient and is primarily comprised of college students and people just entering the job market. The City's proportion of young adults and retirement-aged individuals also decreased during the same time period. The City's age distribution reflects a family-oriented community, where family households with school-age children make up a significant portion of the population. This age distribution also suggests that Tracy residents are no longer aging in place (a smaller senior population) and young people just entering the job market are not staying in Tracy (with a small population of late teen and college age persons). A lack of affordable smaller housing units may explain some portion of the recent population trends.

According to the American Community Survey (ACS) data, the age distribution of Tracy residents between 2006 and 2008 was as follows: nine percent children under five; 22 percent school age children, 10 percent young adults, 33 percent adults, 20 percent middle-age adults, and six percent seniors.

Table 2: Age Distribution

Age Group	1990			2000			% Change	
	#	%	% CA	#	%	% CA	Tracy	CA
Preschool (<5 yrs.)	3,497	10%	8%	5,360	9%	7%	-1%	-1%
School Age (5-17 yrs).	7,006	21%	18%	14,239	25%	20%	4%	2%
Late Teens/College Age (18-24)	3,069	9%	11%	4,248	7%	10%	-2%	-2%
Young Adults/Early Middle Age (25-44)	12,621	38%	35%	19,947	35%	32%	-3%	-3%
Middle Age/Near Retirement (45-64)	4,656	14%	17%	9,498	17%	21%	3%	3%
Senior (65+)	2,709	8%	11%	3,637	6%	11%	-2%	0%

Note: The % point change column in the table describes the change in representation for each of the age cohorts shown relative to the overall population. For example, the two percent decrease shown for seniors does not mean that the senior population decreased, but rather that the representation of seniors decline from eight percent of the overall population in 1990 to six percent in 2000.

Source: Bureau of the Census, 1990 and 2000.

3. Race and Ethnicity

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

With the recent population growth, Tracy has become more racially and ethnically diverse. Between 1990 and 2000, the White population in the City decreased from 68 percent to 56 percent ([Table 3](#)). During the same time period, the representation of all minority groups, except Native Americans, increased in Tracy. Nevertheless, Tracy remains less diverse compared to both San Joaquin County and California (see [Figure 2](#)).

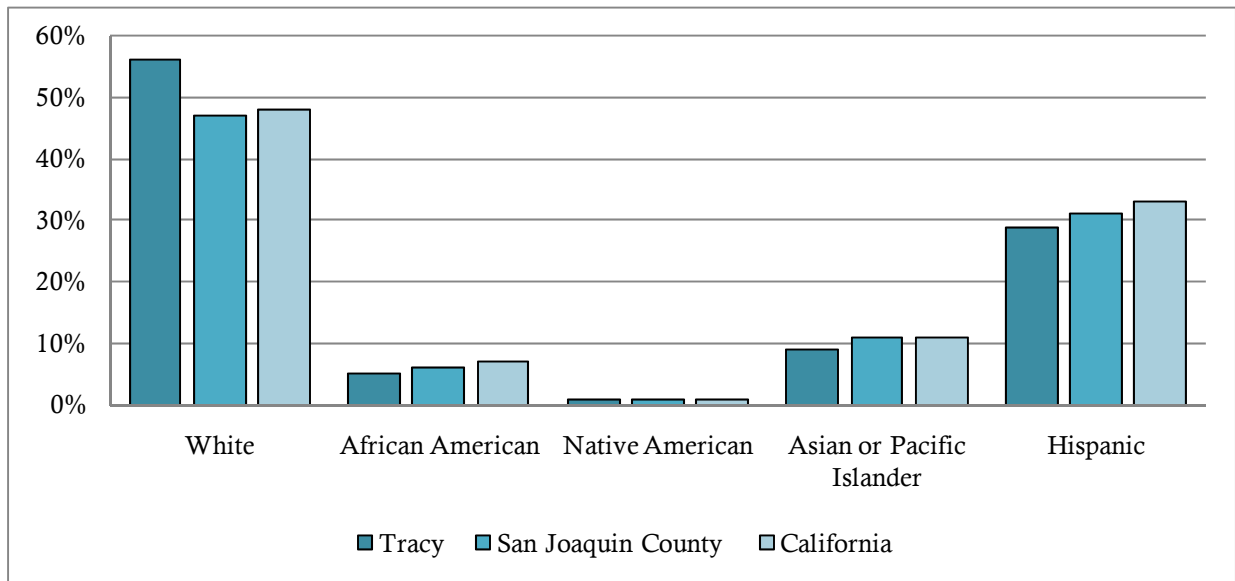
According to ACS data, the racial/ethnic distribution of Tracy residents between 2006 and 2008 was as follows: 39 percent White, 36 percent Hispanic, 13 percent Asian, seven percent Black, and five percent Other.

Table 3: Race and Ethnicity

Race/Ethnicity	2000			Percentage Distribution Change, 1990-2000		
	Tracy	County	California	Tracy	County	California
White	56%	47%	48%	-12%	-11%	-9%
African American	5%	6%	7%	3%	1%	0%
Native American	1%	1%	1%	0%	0%	0%
Asian or Pacific Islander	9%	11%	11%	4%	0%	2%
Hispanic	29%	31%	33%	5%	7%	7%

Source: Bureau of the Census, 2000.

Figure 2: Race and Ethnicity



Source: Bureau of the Census, 2000.

B. Household Characteristics

The Census defines a "household" as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons sharing living quarters. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Furthermore, the Census classifies households by type according to the gender of the householder and the presence of relatives. Household characteristics such as size, type, income and tenure reveal important information about the housing needs of a community. Different household sizes, types and income levels often prefer different housing options.

1. Household Type and Size

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

The proportion of family households in Tracy increased four percent from 1990 to 2000. The share of family households in California, however, did not change. Average family size also increased in Tracy ([Table 4](#)). Compared to California, Tracy has a much larger share of married-couple, family households with children. The share of this family type increased four percent during the 1990s, which drove the City's average household size and average family size higher. The number of non-family households increased between 1990 and 2000, but the share of non-family households as a percentage of total household decreased during this period. The same was true for single households, which comprised most of these non-family households.

According to DOF estimates for 2009, Tracy's average household size is 3.27. This was the second highest among San Joaquin County cities (after Lathrop) and the County overall.

According to the American Community Survey data, between 2006 and 2008, 80 percent of Tracy households were family households. Of the City's households, 53 percent included children under the age of 18 and 47 percent did not include children. About 16 percent of Tracy residents lived alone and four percent were other non-family households.

Table 4: Household Types

Household Type	1990			2000			% Change		
	Tracy HHs	%	CA %	Tracy HHs	%	CA %	Tracy HHs	%	CA %
Families	8,617	77%	69%	14,308	81%	69%	5,691	4%	0%
Married w/ Children	4,201	37%	27%	7,237	41%	26%	3,036	4%	-1%
Married No Children	2,754	25%	26%	4,213	24%	25%	1,459	-1%	-1%
Other Families	1,662	15%	16%	2,858	16%	18%	1,196	1%	2%
Non-Families	2,591	23%	31%	3,312	19%	31%	721	-4%	0%
Singles	2,012	18%	8%	2,530	14%	24%	518	-4%	16%
Other Non-Families	579	5%	23%	782	4%	8%	203	-1%	-16%
Total Households	11,208	100%	100%	17,620	100%	100%	6,412	--	--
	Tracy		CA	Tracy		CA	Tracy		CA
Average Household Size	3.0		2.79	3.21		2.87	7%		3%
Average Family Size	3.39		3.32	3.56		3.43	5%		3%

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

Source: Bureau of the Census, 1990 and 2000.

2. Household Income

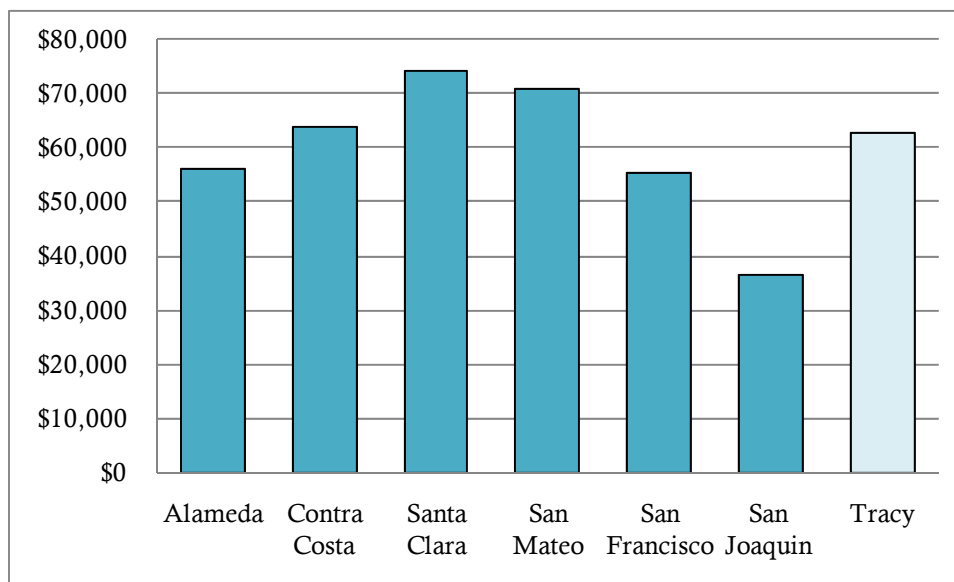
Household income indicates the wealth of a community and therefore is directly connected to the ability to afford housing. Median household income compared to neighboring communities provides a way to measure income in Tracy against other cities.

In 2000, households in the San Joaquin Valley had a significantly lower median income (\$36,638) than surrounding regions. However, residents of the San Joaquin Valley also had a much lower cost of living. Tracy's median household income (\$62,794) was 71 percent higher than that of the San Joaquin Valley region, 53 percent higher than that of San Joaquin County, and 32 percent higher than that of the State. Tracy's median household income is more similar to East Bay and Bay Area communities west of the City than it is the communities of the San Joaquin Valley ([Figure 3](#)).

The San Joaquin Valley has become a destination for Bay Area workers seeking lower cost housing and a lower cost of living overall. This can create difficulty for local workers competing for valley housing. Compared to the East Bay counties, the median income in the San Joaquin Valley is approximately 35 percent lower than Alameda County (\$55,946), 51 percent lower than Santa Clara County (\$74,335), 48 percent lower than San Mateo County

(\$70,819), 34 percent lower than San Francisco County (\$55,221), and 42 percent lower than Contra Costa County (\$63,675).

Figure 3: Median Household Income



Source: Bureau of the Census, 2000.

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

According to the 2000 Census, 15 percent of households earned less than \$25,000, while approximately 22 percent of City households earned incomes between \$25,000 and \$49,999 ([Table 5](#)). Approximately 45 percent of Tracy households earned incomes between \$50,000 and \$99,999 and 19 percent reported \$100,000 or more in income in 1999. In comparison, the County income distribution was more evenly distributed throughout all the income levels, explaining the lower median household income reported for San Joaquin County when compared to Tracy.

Table 5: Household Income Distribution (1999)

Household Income	Tracy		County	
	Number	%	Number	%
Less than \$10,000	870	5.0%	18,364	10.1%
\$10,000 to \$14,999	526	3.0%	12,234	6.7%
\$15,000 to \$24,999	1,260	7.2%	24,053	13.2%
\$25,000 to \$34,999	1,427	8.1%	22,488	12.4%
\$35,000 to \$49,999	2,403	13.7%	29,730	16.5%
\$50,000 to \$74,999	4,104	23.4%	35,475	19.5%
\$75,000 to \$99,999	3,700	21.1%	19,934	11.0%
\$100,000 or more	3,239	18.5%	19,334	10.6%
Total	17,529	100.0%	181,612	100.0%

Note: The 2000 Census measured income earned in 1999.

Source: Bureau of the Census, 2000.

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

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

In 2000, approximately 78 percent of Tracy households earned moderate or above moderate incomes ([Table 6](#)), while 22 percent of households had incomes in the extremely low, very low, and low income levels.²

Table 6: Households by Income Category (2000)

Income Category (% of County AMI)	Households	Percent
Extremely Low (30% or less)	983	5.6%
Very Low (31 to 50%)	948	5.4%
Low (51 to 80%)	1,860	10.6%
Moderate or Above (over 80%)	13,732	78.4%
Total	17,523	100.0%

Source: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), 2000.

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

C. Employment Market

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

1. Employment

Tracy's labor force in 2000 included 27,121 persons, 25,492 of whom were employed and 1,581 of whom were unemployed – constituting an unemployment rate of four percent. Tracy's unemployment rate continues to be one of the lowest for cities in the County. As reported in the ACS, between 2006 and 2008, the unemployment rate in Tracy doubled to 8.9 percent, compared to ten percent in the County. The manufacturing and education/health/social service industries employed the most Tracy residents in 2000 ([Table 7](#)). These industries usually offer moderate incomes. However, between the 2000 Census and 2006-2008 ACS, the manufacturing industries shrank from 17 percent of the employed residents to 14 percent of the employed residents. In contrast, the recreation/accommodation/food service industries expanded to employ eight percent of the labor force. These industries tend to offer lower wages. [Table 8](#) lists the top ten employers in Tracy. Safeway is the City's largest employer, followed closely by the Defense Depot, Tracy Unified School District, and the Deuel Vocational Institute.

Table 7: Employment Profile

Industry	2000		2006-08
	#	%	%
Agriculture, Forestry, Fishing and Hunting, and Mining	298	1.2	1.1%
Construction	2,070	8.1	9.2%
Manufacturing	4,373	17.2	13.7%
Wholesale Trade	1,438	5.6	4.0%
Retail Trade	3,306	13	12.0%
Transportation and Warehousing, and Utilities	1,493	5.9	7.8%
Information	1,212	4.8	2.7%
Finance, Insurance, Real Estate	1,637	6.4	7.4%
Professional, Scientific, Management, Administrative	2,709	10.6	11.7%
Educational, Health and Social Services	3,496	13.7	13.5%
Arts, Entertainment, Recreation, Accommodation & Food Services	1,368	5.4	8.0%
Other Services	940	3.7	3.7%
Public Administration	1,152	4.5	5.3%
Total	25,492	100.0	100.1%

Sources: Bureau of the Census, 2000 Census and American Community Survey 2006-2008.

Table 8: Major Employers

Firm	Industry	Employees
Safeway Distribution Center	Distribution	1,800
Defense Depot San Joaquin	Government Agency	1,530
Tracy Unified School District	Education	1,500
Deuel Vocational Institute	State Prison Facility	1,200
Diversified Collection Service	Collection services	635
City of Tracy	Municipal Services	570
Sutter Tracy Community Hospital	Medical Care	540
Costco Wholesale	Distribution Grocery	513
Barbosa Cabinets	Cabinet Builders	500
Owens-Illinois, Inc.	Glass Container Manufacturer	440

Source: City of Tracy, 2009.

Housing development in the City is meeting the needs of many Bay Area employees who are themselves priced out of ownership in the areas where they work. Since local residents employed in Tracy tend to have lower wages, a housing market dictated by persons commuting to Bay Area jobs and their willingness (and ability) to pay presents difficulties in meeting the housing needs of people who live and/or work in Tracy. [Table 9](#) displays mean annual wage data for occupations compiled by the California Employment Development Department (EDD) for the Stockton Metropolitan Statistical Area. [Table 9](#) shows that the food preparation and serving, health care support, production, and social services occupations offer lower wages.

Table 9: Mean Salary By Occupation (2008)-Stockton MSA

Occupation	Mean Annual Salary
Management	\$93,401
Legal	\$90,221
Healthcare Practitioners and Technical	\$74,931
Computer and Mathematical	\$68,983
Architecture and Engineering	\$67,609
Life, Physical and Social Sciences	\$64,533
Business and Financial	\$61,669
Protective Service	\$52,065
Community and Social Services	\$46,556
Construction and Extraction	\$45,011
Installation, Maintenance and Repair	\$42,966
Arts, Design, Entertainment, Sports and Media	\$41,891
Transportation and Material Moving	\$33,086
Office and Administrative Support	\$33,025
Sales	\$31,793
Production	\$31,282
Healthcare Support	\$26,857
Building and Grounds Cleaning and Maintenance	\$26,376
Personal Care and Service	\$23,332
Food Preparation and Serving	\$20,074
Farming, Fishing and Forestry	\$19,218

Source: California Employment Development Division, 2009.

2. Commuting Patterns

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

Nearly 60 percent of Tracy's workforce travels to another county for employment, the highest proportion among the surrounding counties ([Table 10](#)). The number of Tracy residents employed outside the County was high in 1990. This number continued to increase during the 1990s; Tracy had the largest percentage point increase in employment outside the County between 1990 and 2000. The high rate of residents working in other counties corresponds with longer commute times in Tracy compared to the rest of the County ([Figure 4](#)).

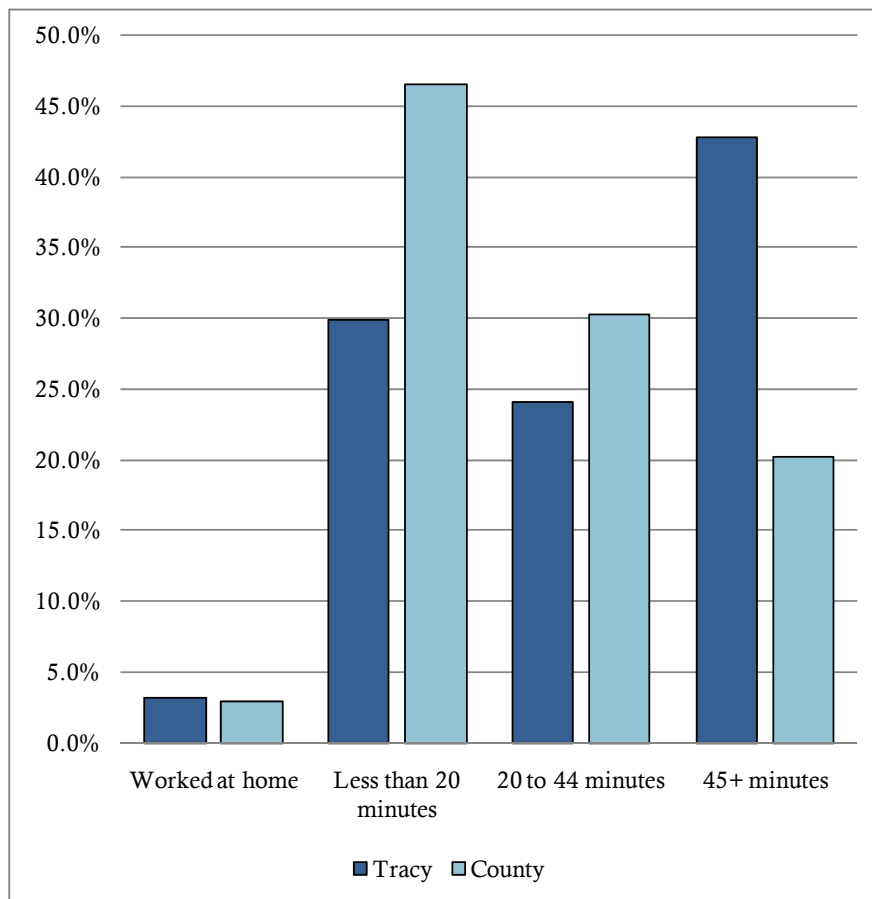
Table 10: Place of Work

Place of Work	CA	Alameda Co.	Contra Costa Co.	San Joaquin Co.	San Mateo Co.	Santa Clara Co.	Tracy
Outside of County of Residence 1990	15%	30%	41%	17%	43%	11%	51%
Outside of County of Residence 2000	17%	33%	42%	23%	42%	12%	58%
Percentage Change (1990 - 2000)	2%	3%	1%	6%	-1%	1%	7%

Source: Bureau of the Census, 2000.

[Figure 4](#) shows travel time for workers age 16 and over in Tracy and San Joaquin County in 2000. One-third of employed Tracy residents either worked at home or lived relatively close to their place of employment (had travel times to work of less than 20 minutes). An additional 24 percent had commutes between 20 to 44 minutes and the remaining 43 percent had commutes of 45 minutes or longer.

Figure 4: Travel Time to Work



Compared to residents countywide, a slightly smaller proportion of Tracy residents drove alone to work in 2000 and a larger proportion of residents carpooled or took public transportation ([Table 11](#)).

Table 11: Means of Transportation to Work

Means of Transportation	Tracy	County
Drove Alone	72.5%	74.6%
Carpooled	18.9%	17.0%
Public Transportation	2.1%	1.4%
Motorcycle	0.1%	0.2%
Bike	0.5%	0.7%
Walked	1.6%	2.3%
Other means	1.0%	0.9%
Worked at home	3.3%	2.9%
Total	100.0%	100.0%

Source: Bureau of the Census, 2000.

D. Housing Problems

The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households in Tracy. Detailed CHAS data based on the 2000 Census is displayed in [Table 12](#). Housing problems considered by CHAS include:

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

The types of problems vary according to household income, type, and tenure. Some highlights include:

- In general, renter-households had a higher level of housing problems (50 percent) compared to owner-households (40 percent).
- Large renter-families had the highest level of housing problems regardless of income level (67 percent).
- Extremely low income (80 percent) and very low income households (78 percent) had the highest incidence of housing problems.

Table 12: Housing Assistance Needs of Lower Income Households (2000)

Household by Type, Income, and Housing Problem	Renters				Owners		Total	
	Elderly	Small Families	Large Families	Total Renters	Elderly	Large Families	Owners	Total Households
Extremely Low Income (0-30% MFI)	223	234	69	599	193	92	384	983
% with any housing problem	82.5	81.2	100	83.8	66.3	68.5	72.9	79.6
% with cost burden >30%	82.5	72.6	100	79.8	66.3	68.5	72.9	77.1
% with cost burden > 50%	58.3	62	94.2	65.9	48.7	68.5	64.1	65.2
Very Low Income (31-50% MFI)	109	204	105	517	199	159	431	948
% with any housing problem	83.5	82.8	100	84.9	44.7	93.7	70.3	78.3
% with cost burden >30%	83.5	82.8	76.2	80.1	44.7	93.7	66.8	74.1
% with cost burden >50%	58.7	43.6	61.9	51.8	27.6	78.6	53.4	52.5
Low Income (51-80% MFI)	165	425	163	913	370	319	947	1,860
% with any housing problem	75.8	76.5	84.7	75.9	35.1	76.5	61.5	68.5
% with cost burden >30%	75.8	54.1	38.7	57.3	35.1	76.5	58.8	58.1
% with cost burden > 50%	12.1	0	9.2	4.9	17.6	50.2	32.2	18.8
Total Households	705	2,263	914	4,817	1,552	7,560	12,706	17,523
% with any housing problem	63.7	43.5	66.7	49.6	33.3	33.5	36.1	39.8

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

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2000.

1. Overpayment

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

The Census reported that 35 percent of Tracy households (5,777 households) overpaid for housing in 2000. Similar to overcrowding, a household's cost burden typically varies by income level, tenure, household type, and household size. In Tracy, renters and owners were overpaying for housing at approximately the same rate, whereas in the County, State, and nearby cities, overpayment among owners were less prevalent than renters. Tracy renters were experiencing overpayment at lower rates than renters in the County, the State, and nearby cities (Table 13). Approximately one-third of Tracy renters (1,712 households) were overpaying for housing compared to over 40 percent in the comparison areas. A slightly higher percentage of Tracy renters were spending 25 to 29 percent of their income on housing, compared with these other areas. The rate of overpayment decreased in Tracy during the past 10 years, down from 40 percent at the time of the 1990 Census.

Table 13: Percentage of Household Income Spent on Rental Housing (2000)

Percent of Income Used for Rent	Tracy	County	State	Nearby Cities
Less than 15 percent	15%	15%	15%	16%
15 to 19 percent	17%	14%	14%	14%
20 to 24 percent	15%	12%	13%	13%
25 to 29 percent	13%	10%	11%	10%
30 percent or more	35%	43%	42%	42%

Note: Nearby Cities include Lathrop, Manteca, Modesto, Turlock, Stockton, and Livermore.

Source: Bureau of the Census, 2000.

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

Table 14: Percentage of Household Income Spent on Owner Housing (2000)

Percent of Income Used for Owner Housing	Tracy		County	State	Nearby Cities
	1990	2000			
Less than 15 percent	--	16%	28%	28%	25%
15 to 19 percent	--	16%	16%	15%	16%
20 to 24 percent	15%	17%	15%	14%	15%
25 to 29 percent	16%	16%	12%	11%	14%
30 percent or more	34%	34%	29%	31%	29%

Source: 2000 U.S. Census.

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

Table 15: Percentage of Owner- and Renter-Households Overpaying for Housing by Age

Householder Age Cohorts	Owner	Renter
Householder 15 to 24 years	63%	52%
Householder 25 to 34 years	43%	29%
Householder 35 to 44 years	34%	28%
Householder 45 to 54 years	27%	32%
Householder 55 to 64 years	33%	35%
Householder 65 to 74 years	36%	61%
Householder 75 years and over	25%	74%
Total	11,973	4,838

Source: 2000 U.S. Census.

Specifically, senior renter-households, which tend to be smaller in size and on fixed incomes, may have a particular risk for overpayment in Tracy. Approximately 66 percent of senior

households (those with a householder 65 years of age or older) were overpaying for rental housing, while only 30 percent of senior owner households were overpaying. Low-cost senior housing provision is a priority.

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

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

Table 16: Percent of Income Groups Overpaying for Housing

Income Group	Owner-Households	Renter-Households
Less than \$10,000	97%	90%
\$10,000 to \$19,999	68%	88%
\$20,000 to \$34,999	63%	60%
\$35,000 to \$49,999	62%	17%
\$50,000 to \$74,999	49%	2%
\$75,000 to \$99,999	20%	0%
\$100,000 to \$149,999	4%	0%
\$150,000 or more	1%	0%

Source: U.S. Census, 2000.

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

2. Overcrowding

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

According to the Census, approximately ten percent of housing units in the City (1,783 units) were overcrowded in 2000. Overcrowding disproportionately affected renters, indicating overcrowding may be the result of an inadequate supply of larger sized rental units. While 71 percent of occupied housing units in the City had three or more bedrooms (the minimum size

considered large enough to avoid most overcrowding issues for large households), only a small portion of these units (12 percent) were occupied by renters.

Table 17: Overcrowding (2000)

Occupants per Room	Owner Occupied		Renter Occupied		Total	
	#	%	#	%	#	%
0 To 1 Occupants per Room	11,937	67.9%	3,861	22.0%	15,798	89.9%
1.01 To 1.50 Occupants per Room	553	3.1%	456	2.6%	1,009	5.7%
1.51 To 2.00 Occupants per Room	213	1.2%	369	2.1%	582	3.3%
2.01 Or More Occupants per Room	24	0.1%	168	1.0%	192	1.1%
Overcrowded Units	790	4.5%	993	5.6%	1,783	10.1%
Total Housing Units	12,727	72.3%	4,854	27.7%	17,581	100.0%

Source: Bureau of the Census, 2000.

E. Special Housing Needs

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

"Special needs" groups include the following: seniors, persons with disabilities, homeless, single-parent households, large households, and migrant/farmworkers (Table 18). This section provides a detailed discussion of the housing needs facing each particular group as well as programs and services available to address their housing needs.

Table 18: Special Needs Groups (2000)

Special Needs Group	Number of Persons or Households	Number of Owners	%	Number of Renters	%	% of Total Households or Persons
Households with Members Age 65+	2,593	--	--	--	--	14.7%
Senior-Headed Households	2,171	1,530	70.5%	641	29.5%	12.3%
Senior Living Alone	1,015	555	54.7%	460	45.3%	1.8%
Persons with Disabilities	7,666	--	--	--	--	13.6%
Large Households	3,421	2,486	72.7%	935	27.3%	19.4%
Female-Headed Households	3,073	1,601	52.1%	1,472	47.9%	17.4%
Single-Parent Households with Children	1,607	701	43.6%	906	56.4%	9.1%
Female-Headed Households with Children	1,016	467	46.0%	549	54.0%	5.8%
In Poverty	201	--	--	--	--	19.8%
Farmworkers	209	--	--	--	--	0.4%
Residents Living Below Poverty	3,928	--	--	--	--	7.0%
Homeless	32	--	--	--	--	0.2%

Sources: Bureau of the Census, 2000, and San Joaquin County Homeless County, 2009.

1. Seniors

Many senior-headed households have special needs due to their relatively low incomes, disabilities or limitations, and dependency needs. Specifically, people aged 65 years and older often have four main concerns:

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

According to the 2000 Census, over 3,600 seniors (about 6 percent of the total population) lived in Tracy. Approximately 12 percent of all households in the City were headed by seniors, which is a decrease from 15 percent in 1990. Of these senior-headed households, most (71 percent) owned their homes, while the remainder (29 percent) rented. Approximately 39 percent of senior-headed households overpaid for housing - 29 percent of senior homeowners overpaid, while 72 percent of senior renters overpaid.

Aside from overpayment problems faced by seniors due to their relatively fixed incomes, many seniors are faced with various disabilities. Approximately 38 percent of Tracy seniors had a disability in 1990 which, according to 2000 Census, grew to approximately 50 percent by the year 2000.

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

The 2000 Census reported among the elderly residents in Tracy, 63 percent were living in family households either with spouse or with other family members ([Table 19](#)). Approximately 28 percent of elderly residents were living in non-family households, primarily living alone but some were living with roommates. Another nine percent of elderly persons were living in group quarters such as convalescent homes.

Table 19: Elderly Residents by Household Type

Household Type	Number	%
Family Households	2,248	63.1%
Living with Spouse	708	31.5%
Other Family Household	1,540	68.5%
Non-Family Households	1,006	28.3%
Elderly Living Alone	980	97.4%
Group Quarters	307	8.6%
Total Elderly Population	3,561	100.0%

Source: Bureau of the Census, 2000.

According to the ACS data, between 2006 and 2008, over 4,600 seniors (about 6 percent of the total population) lived in Tracy and about four percent of all households (1,010 households) in the City were comprised of seniors living alone.

Resources Available

The City recognizes the extensive housing needs of seniors in the community. There are currently two affordable senior housing complexes in the City of Tracy—the Village Garden Apartments and Tracy Place Senior Apartments. In addition, the City contracts with the San Joaquin County Housing Authority to provide Section 8 assistance to very low income households. The City also facilitates housing options for seniors through residential care facilities. A total of ten senior residential care facilities are operating in the City, with a total capacity of over 300 beds.

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

Lunch Program: Home delivered hot meals available to homebound and/or temporarily ill persons.

Daily Nutrition Lunch: Hot lunches provided for individuals over the age of 60.

Paralegal Services: Paralegal service is provided free of charge by the El Concilio organization.

Brown Bag: Delivers bags of supplemental groceries to low-income senior citizens throughout San Joaquin County provided by Second Harvest Food Bank.

TRACER: A Fixed Route bus service for seniors and persons with disabilities.

2. Persons with Disabilities

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

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

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

According to the 2000 Census, approximately 14 percent of Tracy residents (7,666 persons) over five years of age had a disability. The Census tallied the number of disabilities by type for residents with one or more disabilities. Among the disabilities tallied, 8 percent were sensory disabilities, 23 percent were physical disabilities, 11 percent were mental disabilities, seven percent were self-care disabilities, 20 percent were disabilities that limited the ability to go outside the home, and 31 percent were employment disabilities ([Table 20](#)). Mental disabilities accounted for 72 percent of disabilities tallied among five to 15 year olds, while 42 percent of disabilities tallied for 16 to 64 year olds limited their ability to work. Physical disabilities and disabilities that restrict the ability to go outside the home alone accounted for 59 percent of disabilities tallied among Tracy's senior population.

Table 20: Disabilities Tallied by Age and Type

Type of Disability	# of Disabilities Tallied			
	5 to 15	16 to 64	65+	Total
Sensory disability	54	561	509	1,124
Physical disability	40	1,985	1,264	3,289
Mental disability	318	904	466	1,688
Self-care disability	31	580	427	1,038
Go-outside-home disability ¹	--	2,182	739	2,921
Employment disability ²	--	4,448	--	4,448
Total	443	10,660	3,405	14,508

Notes:

1. Tallied only for persons 16 years and over.

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

Source: Bureau of the Census, 2000.

A recent change in State law (SB 812 passed in November 2010) requires that the Housing Element discuss the housing needs of persons with developmental disabilities. As defined by federal law, "developmental disability" means a severe, chronic disability of an individual that:

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

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

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

The Valley Mountain Regional Center (VMRC) provides services for persons with developmental disabilities in Amador, Calaveras, San Joaquin, Stanislaus, and Tuolumne counties. According to VMRC, as of July 2011, VMRC serves 520 Tracy residents. Of these, 89

[percent are living with parents, relatives, or legal guardians. The remaining 11 percent are living in community care facilities, foster homes, and other independent living facilities. Of those living with family members or guardians, 10 percent are young adults aged 18 to 22 and 17 percent are adults aged 23 to 59. A portion of these may desire independent living arrangements.](#)

Resources Available

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

- 5 Adult Residential Care facilities – 30 beds total
- 2 Group Homes – 12 beds total
- 10 Residential Care for the Elderly facilities – 303 beds total

Combined, these facilities offer a capacity of 345 beds.

[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 2000, approximately 19 percent of total households in Tracy were considered large households. Of these large households, approximately 73 percent owned the units they occupied and 27 percent rented. Finding large rental units (with three or more bedrooms) is a typical problem for large families, particularly renters with lower income levels. Of the 17,727 housing units in Tracy, 71 percent had three or more bedrooms (the minimum size considered large enough to avoid most overcrowding issues for large households). However, only a small portion of these units (12 percent) were occupied by renters.

Resources Available

The Section 8 Housing Choice Voucher program extends assistance to large households with overcrowding and cost burden issues.

4. Single-Parent Households

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

The 2000 Census showed that single parents comprised approximately nine percent of Tracy families. Of these families, 63 percent were headed by females. Female-headed families have a higher incidence of poverty when compared to all households. Of female-headed families with children under 18, approximately 20 percent had incomes below the poverty level. According to the ACS data, between 2006 and 2008, approximately 22 percent of Tracy households were single-parent households. Female-headed households with children made up 57 percent of these single-parent households.

Resources Available

Female-headed households need affordable housing in areas suitable for child-rearing and with access to transit networks, schools and parks, and daily services. The City offers housing programs and supportive services for lower and moderate income households that also benefit female-headed households.

5. Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through seasonal agricultural labor. They have special housing needs because of their relatively low income and the transient, seasonal nature of their job. The 2000 Census reported 209 people being employed in the agriculture, farming, fishing and forestry occupations, making up approximately 0.4 percent of the population in Tracy. According to the ACS data, approximately 420 Tracy residents (0.7 percent) were employed in the agriculture, farming, fishing and forestry occupations between 2006 and 2008.

Resources Available

Because the farmworker population is small, no special housing programs for this group are warranted. Housing needs for farmworkers in the City can be addressed through the various affordable housing programs for lower income households offered by the City.

6. Residents Living Below Poverty

Families, particularly female-headed families, are disproportionately affected by poverty. In 2000, seven percent of the City's total residents (3,928 persons) were living in poverty. Nearly 20 percent of female-headed families with children, however, had incomes below the poverty level.

7. Homeless

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

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

According to the San Joaquin County Homeless Count 2009, there are 32 homeless persons in the City of Tracy. A majority of the City's homeless (22 persons) are male.

Resources Available

Services and facilities available to the homeless in and around Tracy are listed in [Table 21](#).

Table 21: Homeless Services

Organization	Services
Central Valley Low Income Housing Corporation	Provides rent assistance and supportive services to homeless families and individuals, including case management, budgeting assistance/counseling, education assistance, and job search preparation.
New Directions	Serves homeless individuals who have a history of substance abuse. Program participants reside in dormitories and receive supportive services which include individual and group counseling.
Lutheran Social Services of Northern California	Provides rent assistance and support services to homeless former foster youth with disabilities. Supportive services include case management, education assistance, child care, and transportation assistance.
Tracy Interfaith Ministries	Provides bagged groceries and clothing for homeless individuals, and works with the Salvation Army to provide one-night vouchers for Tracy motels.
McHenry House	Provides a maximum of 8 to 10 weeks of shelter to homeless families and women.

F. Housing Stock Characteristics

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

1. Housing Growth

Tracy has experienced strong housing growth since 1990. The total number of housing units increased 49 percent between 1990 and 2000 and 41 percent from 2000 to 2009. Tracy's housing growth has consistently outpaced countywide housing growth as well as growth experienced in most surrounding communities ([Table 22](#)). Much of the housing growth that occurred between 2000 and 2009, however, took place early on in the decade. Residential building permit data indicates that a tremendous amount of housing development occurred in Tracy between 2000 and 2004. The City issued over 6,600 residential building permits during that five-year time period. Residential development declined sharply in 2005 due to decreased housing demand and the voter-approved Measure A initiative, which amended the City's Growth Management Ordinance (GMO) by reducing the number of new residential building permits allowed each year from 1,500 to 750. New housing construction declined further in 2007 and 2008 as a result of the economic downturn and tightening of the credit market. Since January 1, 2007, only 354 building permits have been finalized ([Table 50](#)).

Table 22: Housing Growth

Jurisdiction	1990	2000	2009	% Change	
				1990 – 2000	2000 – 2009
Escalon	1,640	2,132	2,519	30.0%	18.2%
Lathrop	2,040	2,991	4,992	46.6%	66.9%
Lodi	19,676	21,378	23,368	8.7%	9.3%
Manteca	13,981	16,937	22,961	21.1%	35.6%
Stockton	72,525	82,042	96,854	13.1%	18.1%
Tracy	12,174	18,087	25,566	48.6%	41.4%
County Total	166,274	189,160	228,981	13.8%	21.1%

Sources:

1. Bureau of the Census, 1990 and 2000.
2. California Department of Finance, Population and Housing Estimates, 2009.

2. Housing Type

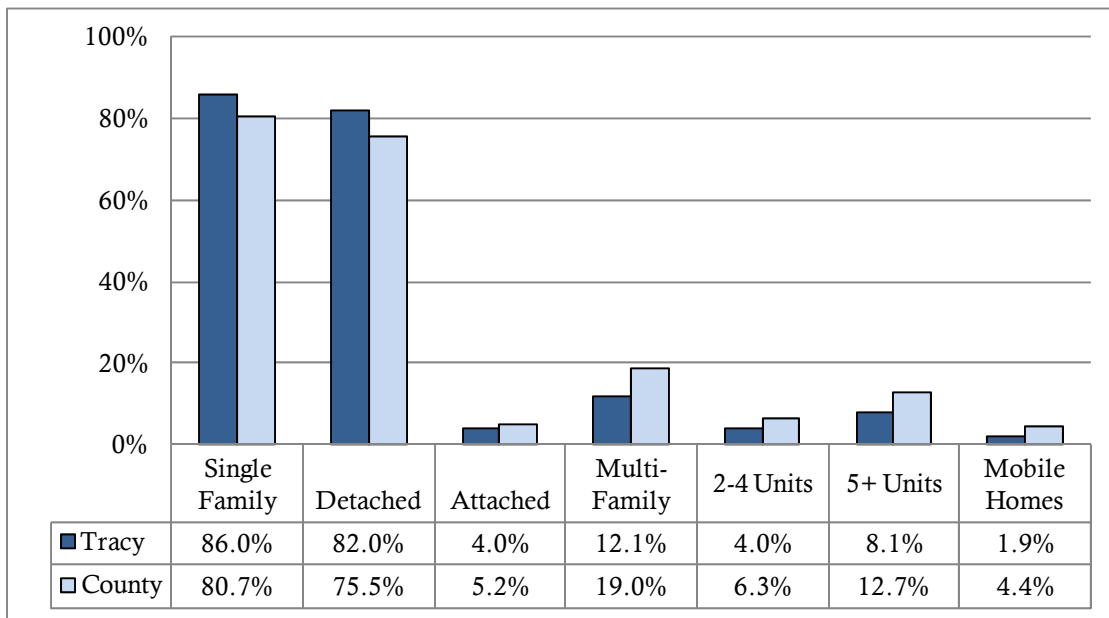
[Table 23](#) shows the mix of housing units in Tracy in 2009. Tracy's housing stock is comprised mostly of single-family detached homes (82 percent). Another four percent of units are single-family attached units (such as zero lot line or second units). Just 12 percent of the units in the City are multi-family development and mobile homes make up about two percent of total housing units.

Table 23: Housing Stock Characteristics

Unit Type	Number	Percent
Single Family	21,997	86.0%
Detached	20,968	82.0%
Attached	1,029	4.0%
Multi-Family	3,093	12.1%
2-4 Units	1,029	4.0%
5+ Units	2,064	8.1%
Mobile Homes	476	1.9%
Total Housing Units	25,566	100.0%
Total Occupied	24,906	97.4%
Vacancy Rate		2.6%

Source: State Department of Finance, Population and Housing Estimates, 2009.

Tracy's housing stock is less diverse than the countywide housing stock. Only 76 percent of the housing units in San Joaquin County consisted of single-family detached homes and nearly one-fifth of the total housing stock was made up of multi-family units ([Figure 5](#)).

Figure 5: Housing Stock Composition

3. Housing Availability and Tenure

Housing vacancy rates and tenure are important indicators of the supply and cost of housing. Vacancy rates indicate the balance between the population and housing units in the community. A low vacancy rate means there is a high demand for housing in the area. A high demand for housing can increase the cost of housing as well as become a disincentive for property owners to maintain their property. A vacancy rate between three and five percent is considered optimal

for rental housing and optimal vacancy rate for ownership housing is usually estimated at two to three percent. The City's current vacancy rate is 2.6 percent ([Table 23](#)). Given the City's housing mix, this vacancy rate is considered optimal, indicating a balance between housing supply and demand.

Housing tenure refers to whether a unit is owned or rented. According to the Census, approximately 72 percent of Tracy households were homeowners, while the remaining 28 percent were renters ([Table 24](#)). The home ownership rate in Tracy was significantly higher than for the County as a whole, but comparable to the neighboring cities of Escalon and Lathrop. A much smaller proportion of households owned their homes in Lodi and Stockton.

Table 24: Housing Tenure

Jurisdiction	Owner		Renter	
	#	%	#	%
Escalon	1,549	75.3%	507	24.7%
Lathrop	2,319	79.7%	589	20.3%
Lodi	11,308	54.6%	9,384	45.4%
Manteca	10,305	63.0%	6,063	37.0%
Stockton	40,534	51.6%	38,022	48.4%
Tracy	12,717	72.2%	4,903	27.8%
County Total	109,667	60.4%	71,962	39.6%

Source: Bureau of the Census, 2000.

According to the ACS data, between 2006 and 2008, 72 percent of Tracy households were owner occupied while 28 percent were renter occupied. The owner vacancy rate was five percent and the renter vacancy rate was six percent.

Owner-households are larger in size on average than renter-households. Families with children usually represent many of the larger households in a community, and these households usually prefer owner-occupied housing. The homeownership rate in Tracy was higher for all household size categories compared with the State and the County ([Table 25](#)).

Table 25: Percentage Homeowner by Household Size

Household Size	Tracy		CA		County		Difference	
							Tracy-CA	Tracy-County
1 person	1,377	54%	1,240,197	46%	19,226	51%	9%	3%
2 people	3,312	75%	2,154,005	63%	35,795	69%	12%	5%
3 people	2,366	73%	1,059,758	58%	17,799	60%	16%	14%
4 people	3,158	79%	1,060,816	62%	18,983	64%	17%	15%
5 person	1,579	75%	538,906	58%	9,970	58%	17%	17%
6 person	599	74%	249,015	55%	4,408	54%	18%	20%
7 or more people	326	61%	243,637	53%	3,486	46%	7%	14%

Source: Bureau of the Census, 2000.

Racial and ethnic minorities in Tracy are much more likely to own their homes than their counterparts elsewhere in California, as shown in [Table 26](#). The difference is especially apparent for African-Americans and Asian/Pacific Islanders. While African Americans and

Asian/Pacific Islanders have nearly 80 percent rates of homeownership in Tracy, these same racial groups have rates of homeownership closer to 50 percent in San Joaquin County and California.

Table 26: Homeownership by Race/Ethnicity

Homeownership by Race	Tracy	County	CA
White	9,231 74%	66%	63%
Black or African American	786 78%	44%	39%
American Indian/Alaska Native alone	103 56%	44%	46%
Asian/Pacific Islander	1,039 83%	56%	55%
Some other race	1,003 54%	46%	40%
Two or more races	565 68%	50%	44%
Hispanic of any race	2,297 59%	48%	44%

Source: Bureau of the Census, 2000.

For all but the youngest age cohort shown below, owner-households in Tracy outnumber renter-households (Table 27). Households with a householder between 15 and 24 years of age rented approximately 72 percent of the time. The next highest level of renting was for householders 85 years old and older, 42 percent of whom were renter-households. The 25-to-34 age range had 65 percent owners and 35 percent renters. For all other age cohorts shown below, owner-households outnumbered renter-households at a ratio of two-to-one or more. Younger and older households tend to prefer smaller housing units, and the tenure rates may be further evidence of the need for smaller housing units in the City, especially affordable for-rent housing.

Table 27: Tenure by Age of Householder

Householder Age	Owner	Renter
Householder 15 to 24 years	28%	72%
Householder 25 to 34 years	65%	35%
Householder 35 to 44 years	76%	24%
Householder 45 to 54 years	81%	19%
Householder 55 to 59 years	71%	29%
Householder 60 to 64 years	76%	24%
Householder 65 to 74 years	74%	26%
Householder 75 to 84 years	69%	31%
Householder 85 years and over	58%	42%

Note: The percentages shown in the table above represent the percentage of owners or renters in each age cohort. For example, the first column, first row entry shows that 28 percent of households with a householder between 15 and 24 are owners.

Source: Bureau of the Census, 2000.

Income is typically a powerful explanatory variable for tenure. As income increases, home ownership becomes more common (Table 28). This trend is noticeable in Tracy, as the income groups tracked by the Census show increasing ownership as one moves up the income brackets. For example, while homeownership for households earning \$20,000 - \$24,999 occurred at a rate of 47 percent, homeownership rates for households earning \$75,000 - \$99,999 was almost 80 percent. Compared to the County and State, the share of each income group in owner-occupied housing was higher in Tracy. The differences between the City and comparison areas were particularly pronounced for low income groups earning up to \$20,000 per year as a household.

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

Table 28: Income and Homeownership

Income and Homeownership	California %	County %	Tracy %
Less than \$5,000	29%	31%	42%
\$5,000 to \$9,999	27%	30%	34%
\$10,000 to \$14,999	34%	36%	47%
\$15,000 to \$19,999	38%	38%	48%
\$20,000 to \$24,999	41%	45%	47%
\$25,000 to \$34,999	45%	49%	48%
\$35,000 to \$49,999	53%	61%	58%
\$50,000 to \$74,999	64%	74%	78%
\$75,000 to \$99,999	74%	85%	86%
\$100,000 to \$149,999	81%	90%	94%
\$150,000 or more	85%	89%	93%

Source: Bureau of the Census, 2000.

Table 29: Median Income by Tenure

Median Income by Tenure	California	San Joaquin County	Tracy
Total	\$47,288	\$41,216	\$62,752
Owner Occupied	\$62,155	\$54,613	\$73,681
Renter Occupied	\$31,912	\$25,780	\$38,181
Difference between Owner and Renter As % of Median	64%	70%	57%

Source: Bureau of the Census, 2000.

4. Housing Age and Condition

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

Most of Tracy's housing was built between 1980 and 2009 ([Table 30](#)). The housing stock in the City is newer than that in the County, the State, and nearby cities ([Figure 6](#)). The median age of homes in Tracy in 2009 was 17 years (a housing unit built between 1990 and 1994). The housing stock near Tracy's downtown (an area containing a significant portion of the City's affordable housing stock), however, is impacted by deferred maintenance. The older housing stock near the City's historic center is significantly more affordable than the new housing being developed on the fringes of the City.

Table 30: Age of Local Housing Stock

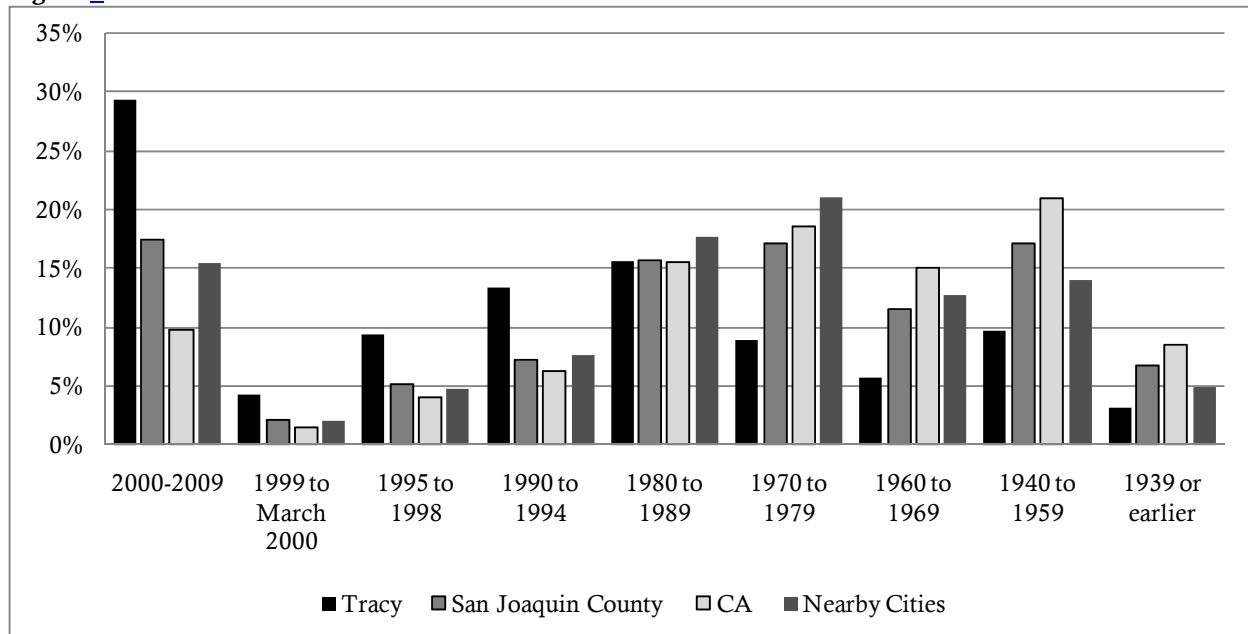
Year Housing Unit Was Built	Tracy Number	Tracy %	County	State	Nearby Cities
2000 to 2009	7,519	29.4%	17.4%	9.7%	15.4%
1999 to March 2000	1,103	4.3%	2.1%	1.4%	2.0%
1995 to 1998	2,412	9.4%	5.2%	4.0%	4.8%
1990 to 1994	3,441	13.5%	7.3%	6.2%	7.6%
1980 to 1989	4,008	15.7%	15.6%	15.5%	17.6%
1970 to 1979	2,287	8.9%	17.1%	18.5%	21.0%
1960 to 1969	1,479	5.8%	11.5%	15.1%	12.7%
1940 to 1959	2,495	9.8%	17.1%	21.0%	14.0%
1939 or earlier	822	3.2%	6.7%	8.6%	4.9%
Total	25,566	100.0%	100.0%	100.0%	100.0%

Note: Nearby Cities includes Lathrop, Manteca, Modesto, Turlock, Stockton, and Livermore.

Sources:

1. Bureau of the Census, 2000.
2. State Department of Finance, 2009.

Figure 6: Years Structure Built



A general rule in the housing industry is that structures older than 30 years begin to show signs of deterioration and require reinvestment to maintain their quality. Therefore, assuming a straight line of production during the 1970s, an estimated 7,083 units (39 percent of the housing stock) would be of sufficient age to be susceptible to deterioration requiring maintenance or

rehabilitation as of 2009. According to the City's Code Enforcement Division, an estimated 100 housing units in the City are in substandard condition. These housing units tend to be older homes and have substantial amounts of one or more of the following types of conditions: non-operating electrical or plumbing fixtures; non-operating water heaters and HVAC units; leaky roofs; substantial amounts or prolonged periods of debris, appliances, auto parts or recyclables collected from elsewhere stored on the property; substantial weeds or otherwise unmaintained landscaping; structural deficits, such as hazardous electrical, foundations or other systems; illegal conversions, room additions, or other construction.

An additional 750 units are damaged foreclosed homes that are otherwise in reasonable structural condition but have incurred relatively recent (within the past two years) interior or exterior damage, typically due to neglect or vandalism to the building(s) or the site, such as holes in walls, broken windows and doors, copper wiring torn out, fences falling down, substantial weeds or other landscaping neglect, illegal occupancy or use, and similar conditions.

G. Housing Costs and Affordability

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

1. Homeownership Market

Tracy's for-sale residential market has largely followed the boom-and-bust cycle experienced throughout California and across the country. Like many other cities, Tracy's home values increased in the first half of the decade before falling substantially during the current economic downturn.

The California Association of Realtors (CAR) publishes median home sales price data compiled by DataQuick for cities and counties throughout the State. The median home sales price in Tracy declined by approximately 18 percent between 2008 and 2009 ([Table 31](#)), but median home prices in the City are still the highest (\$245,000) in San Joaquin County. Prices dropped approximately 22 percent countywide from 2008 to 2009.

Table 31: Median Home Sale Price (2007-2009)

Jurisdiction	# of Homes Sold in October 2009	Median Price			% Change in Price	
		October 2009	2008	2007	2007-08	2008-09
Escalon	11	\$165,250	\$265,000	\$370,000	-28.4%	-37.6%
Lathrop	52	\$191,750	\$240,000	\$400,000	-40.0%	-20.1%
Lodi	78	\$210,000	\$216,000	\$339,500	-36.4%	-2.8%
Manteca	135	\$192,000	\$249,000	\$390,000	-36.2%	-22.9%
Stockton	495	\$120,000	\$163,000	\$316,000	-48.4%	-26.4%
Tracy	208	\$245,000	\$298,000	\$507,500	-41.3%	-17.8%
San Joaquin County	1,022	\$167,000	\$214,000	\$376,250	-43.1%	-22.0%

Source: DQNews.com, 2009.

2. Rental Market

Market rents for apartments in Tracy are summarized in [Table 32](#). Rental rates were compiled based on a review of 208 rental listings in December 2009. Based on the listings, rents in Tracy ranged from \$642 (for a studio) to \$1,811 (for a five-bedroom house). Most of the units for rent were two-bedroom apartments and houses, with an average rent of \$780 and \$1,053 respectively.

Table 32: Rental Rates (2009)

Size	Average Rent	# of Listings
<i>Apartments</i>		
Studio	\$642	3
1 Bedroom	\$842	34
2 Bedrooms	\$780	51
3 Bedrooms	\$1,048	5
<i>Single-Family Homes, Townhomes, Condominiums</i>		
1 Bedroom	\$943	4
2 Bedrooms	\$1,053	42
3 Bedrooms	\$1,395	37
4 Bedrooms	\$1,549	19
5 Bedrooms	\$1,811	10
Second Units	\$673	3

Source: Craigslist (accessed December 2009); Apartmenthunterz.com (accessed December 2009); RentalHouses.com (accessed December 2009)

3. Housing Affordability by Income Level

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

The federal Department of Housing and Urban Development (HUD) conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, the California Department of Housing and Community Development (HCD) developed income limits that can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison than those at the upper end. The maximum affordable home and rental prices for residents of San Joaquin County are shown in [Table 33](#).

[Table 33](#) shows the maximum amount that a household can pay for housing each month without incurring a cost burden (overpayment). This amount can be compared to current housing asking prices ([Table 31](#)) and market rental rates ([Table 32](#)) to determine what types of housing opportunities a household can afford.

Extremely Low income Households

Extremely low income households earn 30 percent or less of the County area median income – up to \$13,350 for a one-person household and up to \$20,650 for a five-person household in 2009. Extremely low income households cannot afford market-rate rental or ownership housing in Tracy.

Very Low income Households

Very low income households earn between 31 percent and 50 percent of the County area median income – up to \$22,250 for a one-person household and up to \$34,350 for a five-person household in 2009. A very low income household can afford homes offered at prices between \$86,983 and \$130,345, adjusting for household size. Given the costs of ownership housing in Tracy, very low income households would not be able to afford a home in the City. Similarly, very low income renters could not afford market-rate rental units in Tracy. After deductions for utilities, a very low income household at the maximum income limit can afford to pay approximately \$462 to \$639 in monthly rent, depending on household size.

Low income Households

Low income households earn between 51 percent and 80 percent of the County's area median income – up to \$35,650 for a one-person household and up to \$54,950 for a five-person household in 2009. The affordable home price for a low income household at the maximum income limit ranges from \$156,321 to \$236,940. Based on the asking prices of homes for sale in 2008 ([Table 31](#)), ownership housing would be unaffordable to low income households. After

deductions for utilities, a one-person low income household could afford to pay up to \$797 in rent per month and a five-person low income household could afford to pay as much as \$1,154. In December 2009, low income households in Tracy should have no trouble finding affordable adequately sized apartment units ([Table 32](#)).

Moderate income Households

Moderate income households earn between 81 percent and 120 percent of the County's Area Median Income – up to \$82,400 depending on household size in 2009. The maximum affordable home price for a moderate income household is \$294,221 for a one-person household and \$450,043 for a five-person family. Moderate income households in Tracy will have little trouble purchasing adequately-sized homes. The maximum affordable rent payment for moderate income households is between \$1,241 and \$1,840 per month. Appropriately-sized market-rate rental housing is also affordable to households in this income group.

Table 33: Housing Affordability Matrix – San Joaquin County (2009)

Household	Annual Income	Affordable Costs		Utilities		Taxes and Insurance	Affordable Rent	Affordable Home Price
		Rental	Ownership	Renters	Owners			
Extremely Low Income (0-30% AMI)								
1-Person	\$13,350	\$334	\$334	\$94	\$136	\$67	\$240	\$40,930
2-Person	\$15,300	\$383	\$383	\$115	\$151	\$77	\$268	\$47,916
3-Person	\$17,200	\$430	\$430	\$141	\$172	\$86	\$289	\$53,401
4-Person	\$19,100	\$478	\$478	\$178	\$200	\$96	\$300	\$57,437
5-Person	\$20,650	\$516	\$516	\$220	\$229	\$103	\$296	\$59,455
Very Low Income (31-50% AMI)								
1-Person	\$22,250	\$556	\$556	\$94	\$136	\$111	\$462	\$86,983
2-Person	\$25,450	\$636	\$636	\$115	\$151	\$127	\$521	\$100,437
3-Person	\$28,600	\$715	\$715	\$141	\$172	\$143	\$574	\$112,390
4-Person	\$31,800	\$795	\$795	\$178	\$200	\$159	\$617	\$123,153
5-Person	\$34,350	\$859	\$859	\$220	\$229	\$172	\$639	\$130,345
Low Income (51-80% AMI)								
1-Person	\$35,650	\$891	\$891	\$94	\$136	\$178	\$797	\$156,321
2-Person	\$40,700	\$1,018	\$1,018	\$115	\$151	\$204	\$903	\$179,348
3-Person	\$45,800	\$1,145	\$1,145	\$141	\$172	\$229	\$1,004	\$201,391
4-Person	\$50,900	\$1,273	\$1,273	\$178	\$200	\$255	\$1,095	\$221,986
5-Person	\$54,950	\$1,374	\$1,374	\$220	\$229	\$275	\$1,154	\$236,940
Moderate Income (81-120% AMI)								
1-Person	\$53,400	\$1,335	\$1,558	\$94	\$136	\$312	\$1,241	\$294,221
2-Person	\$61,050	\$1,526	\$1,781	\$115	\$151	\$356	\$1,411	\$337,299
3-Person	\$68,650	\$1,716	\$2,002	\$141	\$172	\$400	\$1,575	\$378,833
4-Person	\$76,300	\$1,908	\$2,225	\$178	\$200	\$445	\$1,730	\$419,220
5-Person	\$82,400	\$2,060	\$2,403	\$220	\$229	\$481	\$1,840	\$450,043

Assumptions:

1. HCD income limits, 2009.
2. Health and Safety code definitions of affordable housing costs (between 30 and 35% of household income depending on tenure and income level)
3. HUD utility allowances.
4. 20% of monthly affordable cost for taxes and insurance.
5. 10% down payment.
6. 5% interest rate for a 30-year fixed-rate mortgage loan.
7. Taxes and insurance apply to owner costs only; renters do not usually pay taxes or insurance.

Sources:

1. State Department of Housing and Community Development Income Limits, 2009.
2. San Joaquin County Housing Authority, Utility Allowances, 2005.
3. Veronica Tam and Associates.

H. Affordable Housing

State law requires that the City identify, analyze, and propose programs to preserve existing multi-family rental units which are eligible to convert to non-low-income housing uses due to termination of subsidy contract, mortgage prepayment, or expiring use restrictions during the next ten years. Thus, this at-risk housing analysis covers the period from July 1, 2009 through June 30, 2019. Consistent with State law, this section identifies publicly assisted housing units in Tracy, analyzes their potential to convert to market rate housing uses, and analyzes the cost to preserve or replace those units.

1. Publicly Assisted Housing

Housing that receives governmental assistance is often a significant source of affordable housing in many communities. Covenants and deed restrictions are the typical mechanisms used to maintain the affordability of publicly assisted housing, ensuring that these units are available to lower and moderate income households in the long term. Over time, the City may face the risk of losing some of its affordable units due to the expiration of covenants and deed restrictions. As the relatively tight housing market continues to put upward pressure on market rents, property owners are more inclined to discontinue public subsidies and convert the assisted units to market-rate housing.

The City of Tracy has seven publicly assisted housing developments that total 730 units, including 659 units that are set aside as housing affordable to lower income households. These projects are presented in [Table 34](#), along with information on the funding programs, unit mix, and duration of affordability. No projects are at risk of conversion to market-rate housing within the Housing Element planning period.

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

Table 34: Inventory of Assisted Units

Project Name	Total Units	Assisted Units	Unit Size	Type	Funding Source(s)	Expiration of Affordability
Village Garden Apartments	88	87	87 1-br	Seniors	HUD	11/1/2064
Tracy Village Apartments	72	71	24 1-br 32 2-br 15 3-br	Family	HUD	9/9/2060
Chesapeake Bay Apartments	216	150	138 2-br 12 3-br	Family	Low Income Housing Tax Credit program	2031
Mountain View Townhomes	37	36	10 2-br 14 3-br 12 4-br	Family	Redevelopment set-aside funds; Low Income Housing Tax Credit program	2054
Stone Pine Meadows	72	71	15 1-br 23 2-br 27 3-br 6 4-br	Family	Redevelopment set-aside funds; Low Income Housing Tax Credit program; HOME funds	2047
Tracy Place Senior Apartments	50	49	41 1-br 8 2-br	Seniors	Redevelopment set-aside funds	2063
San Joaquin County Housing Authority	195	195	24 1-br 32 2-br 15 3-br	Family	Housing Authority	None
Total	730	659				

Sources: City of Tracy, 2009.

Resources for Preserving Affordable Units

Available public and non-profit organizations with the capacity to preserve assisted housing developments include San Joaquin County, the City of Tracy, and various non-profit developers, including Self Help Enterprises and Bridge Housing Corporation. Financial resources available include City of Tracy Community Development Agency Tax Increment Set-Aside monies, bond financing, as well as CDBG and HOME funds, Section 8 rental assistance, low income housing tax credits, and Proposition 1C funds. (See the Housing Resources section later for further details.)

I. Future Housing Needs

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

- Market demand for housing;
- Employment opportunities;
- Availability of suitable sites and public facilities;
- Commuting patterns;

- Type and tenure of housing;
- Loss of units in assisted housing developments;
- Over-concentration of lower income households; and
- Geological and topographical constraints.

The SJCOG Executive Board adopted its Regional Housing Needs Allocation (RHNA) on August 28, 2008. The RHNA covers a 7.5-year planning period and addresses housing issues that are related to future growth in the region. The RHNA allocates to each city and county a “fair share” of the region’s projected housing needs by household income group. The major goal of the RHNA is to assure a fair distribution of housing among cities and counties within the San Joaquin region, so that every community provides an opportunity for a mix of housing affordable to all economic segments. The housing allocation targets are not building requirements, but goals for each community to accommodate through appropriate planning policies and land use regulations. State Housing Element laws are intended to assure that adequate sites and zoning are made available to address potential housing demand during the planning period and that market forces are not inhibited in addressing the housing needs of all economic segments of a community.

Tracy’s share of regional future housing needs is a total of 4,888 new units for the January 1, 2007 to June 30, 2014 period. This allocation is distributed into four income categories, as shown below in [Table 35](#). The RHNA includes a fair share adjustment which allocates future (construction) need by each income category in a way that meets the State mandate to reduce the over-concentration of lower income households in one community.

Table 35: Housing Needs for 2007-2014

Income Category (% of County AMI)	Number of Units	Percent
Extremely Low (30% or less)	453	9.3%
Very Low (31 to 50%) ¹	454	9.3%
Low (51 to 80%)	632	12.9%
Moderate (81% to 120%)	813	16.6%
Above Moderate (Over 120%)	2,535	51.9%
Total	4,888²	100.0%

Note:

1. Pursuant to AB 2634, local jurisdictions are also required to project the housing needs of extremely low income households (0-30% AMI). In estimating the number of extremely low income households, a jurisdiction can use 50% of the very low income allocation or apportion the very low income figure based on Census data. As shown in [Table 12](#), extremely low income households constitute 50.9% of the very low income group. Therefore, the City's RHNA of 907 very low income units can be split between 453 extremely low and 454 very low income units.
2. Total numbers may not add up due to rounding; however, the number of housing units required at each income level is fixed.

Source: Final Regional Housing Needs Allocation, SJCOG, 2008.

III. Housing Constraints

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

A. Market Constraints

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

1. Economic Factors

Market forces on the economy and the trickle down effects on the construction industry can act as a barrier to housing construction and especially to affordable housing construction. During the 1980s, Tracy experienced a period of major growth influenced by the East Bay area of the San Francisco Bay region with its high cost of housing. Tracy, with more affordable housing than the Bay area, became an attractive residential location for many Bay area workers. Today, Tracy is considered an outer suburb of the Bay area, rather than a small agricultural and industrial town.

In the summer of 2005, the statewide housing market peaked when it experienced an influx of housing supply coupled with low interest rates. The San Joaquin Valley has since experienced a virtual halt to residential construction and a resulting collapse of the housing market. The period between 2006 and 2009 reflects a time of significant change as the lending market broke down and home prices saw significant decreases. Double-digit decreases in median sale prices were recorded throughout the State. These lower-than-normal home prices allowed for a large increase in the number of homes sold initially until the availability of credit became increasingly limited. From 2007 to October 2009 home prices in Tracy decreased 52 percent ([Table 31](#)).

2. Land and Construction Costs

The City of Tracy is located in San Joaquin County, east of the Coastal Range that separates California's Central Valley from the San Francisco Bay Area. According to the City's 2006 General Plan, 3,110 acres of vacant land existed within City limits at that time. While the City does have an adequate supply of vacant, unconstrained land, residential construction in Tracy is limited by the City's Growth Management Ordinance (GMO), adopted in 1987 and later amended in 2000 by the voter-initiated Measure A. Significant future housing construction is anticipated in the City's Specific Plan areas, including the Tracy Hills Specific Plan, the Downtown Specific Plan and the Ellis Specific Plan, as well as other residential areas identified in the General Plan.

Construction costs are the largest component of total costs for a single-family detached unit, accounting for 30 to 40 percent of the finished sale price. According to RS Means Residential Square Foot Costs (2008), construction costs for an average two-story single-family home (2,000 square feet of living area), and built of stucco on wood frame total \$93.74 per square foot in the Tracy area. For multi-family attached units, construction costs are slightly lower as developers

can usually benefit from economies of scale with discounts for materials and diffusion of equipment mobilization costs. Density bonuses for senior and affordable housing can enhance this per-unit cost reduction for multi-family developments. A reduction in amenities and quality of building materials could result in lower costs and sale prices; however, Compliance with the California Building Code is necessary to maintain minimum health and safety standards.

3. Availability of Financing

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

[Table 36](#) summarizes the disposition of loan applications submitted to financial institutions in 2007³ for home purchase, refinance, and home improvement loans in Tracy. Included is information on loan applications that were approved and originated, approved but not accepted by the applicant, denied, withdrawn by the applicant, or incomplete.

Table 36: Disposition of Home Loans (2007)

Disposition	Home Purchase				Refinances		Home Improvement	
	Government-Backed		Conventional					
	#	%	#	%	#	%	#	%
Approved	17	77.3%	2,147	57.6%	3,329	48.3%	358	46.1%
Denied	4	18.2%	1,021	27.4%	2,378	34.5%	319	41.1%
Withdrawn or Incomplete	1	4.5%	559	15.0%	1,186	17.2%	100	12.8%
Total	22	100.0%	3,727	100.0%	6,893	100.0%	777	100.0%

Source: Home Mortgage Disclosure Act (HMDA) data, 2007.

Home Purchase Loans

In 2007, a total of 3,727 Tracy households applied for conventional loans to purchase homes. The overall loan approval rate was 58 percent and 27 percent of applications were denied. Similarly, 58 percent of the conventional home loan applications were approved countywide. Only 22 applications were submitted for the purchase of homes in Tracy through government-backed loans (e.g. FHA, VA) in 2007. To be eligible for such loans, residents must meet the established income standards, maximum home values, and other requirements. Among applications for government-backed home purchase loans in 2007, 17 were approved (77

³ 2008 HMDA data not yet available at the writing of this Housing Element.

percent) and four were denied (18 percent). For government-backed loans, the approval rate (27 percent) was higher countywide.

Refinance Loans

Relatively low interest rates and a high prevalence of interest only, adjustable rate, and balloon payment mortgages led Tracy residents to file 6,893 applications for home refinance loans in 2007. About 3,300 (48 percent) of these applications were approved, while 35 percent were denied. The recent credit crisis that began in 2007 and heightened in 2008, however, will likely cause refinancing activities to fall over the coming years. Countywide, 47 percent of the refinancing applications were approved.

Home Improvement Loans

A larger proportion of Tracy applicants were denied for home improvement loans than any other type of loan. Approximately 41 percent of applicants were denied and 46 percent were approved by lending institutions in 2007. The large proportion of home improvement loan denials may be explained by the nature of these loans. Most home improvement loans are second loans and therefore more difficult to qualify due to high income-to-debt ratios. Countywide, home improvement loan applications had a higher approval rate (49 percent) than in the City of Tracy.

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

Foreclosures

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

Like many cities in San Joaquin County, Tracy has experienced a rise in home foreclosures since 2007. There were only eight foreclosures in the City of Tracy during the first quarter of 2006. By the first quarter of 2008, that number had risen to 456 foreclosures. Foreclosures continued to rise through 2008, peaking at 698 foreclosures during the third quarter of 2008.⁴ Neighboring

⁴ Affordable and Workforce Housing Briefing Book, May 2009.

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

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

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

B. Governmental Constraints

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

1. Land Use Controls

The Land Use Element sets forth City policies for guiding local land use development. These policies, together with existing zoning regulations, establish the amount and distribution of land allocated for different uses. [Table 37](#) lists the land use designations of the General Plan that permit residential uses.

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

Table 37: Land Use Designations Permitting Residential Use

Land Use Category	Zoning District	Density (du/acre)	Character
Residential Very Low (RVL)	Residential Estate Zone (RE)	0.1 to 2.0	Single-family dwelling units are the principal type of housing stock allowed in these areas. Attached units, zero lot line and clustered housing are also permissible and are encouraged within the overall framework of each community. These housing types can help to meet the City's desire to create unique neighborhoods and enhance the character of the community.
Residential Low (RL)	Low Density Residential Zone (LDR)	2.1 to 5.8	
Residential Medium (RM)	Medium Density Cluster Zone (MDC)	5.9 to 12.0	Includes small lot single-family detached homes, duplexes, triplexes, fourplexes, townhouses, apartments and includes condominiums as an ownership type.
	Residential Mobile Home Zone (RMH)		
	Medium Density Residential Zone (MDR)		
Residential High (RH)	High Density Residential Zone (HDR)/ Professional Office and Medical Zone (POM)/ General Highway Commercial (GHC)/ Central Business District (CBD)	12.1 to 25.0	Includes triplexes, fourplexes, townhouses, apartments, and includes condominiums as an ownership type.
Downtown (D)		15.0 to 40.0*	Pedestrian-oriented environment, vertical mixed-use development, a diverse mix of public and private uses, streets on a grid or modified grid, multi-modal street design, and direct pedestrian and bicycle connections to residential neighborhoods.
Village Center (VC)		12.1 to 25.0	Relatively small retail or mixed-use areas. Areas designated for Village Centers generally range in size from 10 to 20 acres, and are to be designed as "Main Streets" serving one or more neighborhoods.

Source: *Land Use Element, City of Tracy General Plan, (2006).*

* For senior housing, the City allows a density of up to 50 units per acre.

Each General Plan land use designation is linked to one or more zone districts. As a result, the development intensity standards for the residential land use designations are dependent on the base zoning. In addition, the development density for the residential land use designations may vary further, depending on the nature of development bonuses granted as part of a development approval. There is not a one-to-one correspondence between the City's General Plan residential land use designations and zoning districts. The General Plan has six residential land use designations: Residential Very Low, Residential Low, Residential Medium, Residential High, Downtown, and Village Center. These six residential designations are being implemented through ten zoning districts ([Table 37](#)):

- Residential Estate Zone (RE)
- Low Density Residential Zone (LDR)
- Medium Density Cluster Zone (MDC)
- Residential Mobile Home Zone (RMH)
- Medium Density Residential Zone (MDR)
- High Density Residential Zone (HDR)
- Professional Office and Medical Zone (POM)
- General Highway Commercial (GHC)

- Planned Unit Development (PUD)
- Central Business District (CBD)

Growth Management Ordinance

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

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

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

- The rehabilitation or remodeling of an existing structure or conversion of apartments to condominiums.
- The replacement of legally established dwelling units that were demolished.
- The project is a fourplex or lesser number of dwelling units developed on a single existing lot.

- The project is a secondary residential unit.

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

The number of building permits available each year as Affordable Housing Exceptions is set at a maximum of 150. The maximum of 150 was put in place through Measure A, approved by Tracy voters; therefore, the text in the GMO cannot be amended without another ballot initiative approved by voters. The City, however, is proposing a program that would ensure the RHNA could be entirely accommodated, notwithstanding the numerical limits stated in Measure A or the GMO. The voter-approved Measure A provides in part,

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

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

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

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

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

The GMO is part of the City’s development process to help ensure residential development occurs concurrent with needed public facilities. Other tools through which the City reviews residential development include the City’s Subdivision Ordinance (consistent with the State Subdivision Map Act), the Development Review Ordinance (for multi-family projects), and the City’s General Plan.

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

Accordingly, RGAs are not “carried over” because the provision of public services and utilities has already been reviewed with approval of the project’s discretionary approval and the public facilities finance and implementation plan. The fact that RGAs cannot be “carried over” has no effect on the cost of allocations or the ability to accommodate the City’s RHNA. The proposed program to create a new GMO exemption, identified above, will furthermore ensure that the RHNA can be accommodated.

The costs associated with residential development are outlined in the project’s finance and implementation plan, not through RGA allocations. With respect to the supply and availability of RGAs, the fact that RGAs cannot be “carried over” has no effect on the supply or availability of building permits to accommodate the RHNA because carryovers would have no relationship to the number of available building permits.

Furthermore, in 2006, the City Council created a policy that authorizes the City to approve as many building permits for affordable projects as are qualified, effectively negating the maximum building permit limit of 150. The 2009 GMO amendment defines Affordable Housing as a very low, low, or moderate income unit deed restricted for 55 years. Recognizing that the 55-year deed restriction term is not consistent with several State and federal housing programs, the Housing Element also includes a program to amend the GMO to reduce the affordability restriction to ten years.

The 2009 revision of the GMO establishes “Primary Residential Growth Areas.” Under the new GMO regulations, Primary Areas are given first priority (aside from any Development Agreement projects that may be in place) when issuing building permits. Once all of the available building permits are issued to Primary Area projects, then projects in Secondary Areas may receive any remaining building permits.

The Primary and Secondary Residential Growth Areas are created in the City’s General Plan and clarified for RGA and building permit priority in the GMO Guidelines. General Plan Objective LU-1.4 calls on the City to “promote efficient residential development patterns and orderly expansion of residential areas to maximize the use of existing public services and infrastructure.” Some of the General Plan policies supporting that objective include the following:

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

development with a mix of residential densities and housing types, as a high priority.

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

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

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

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

- Housing Type (in order of importance):
 - 1) High Density Residential (12.1 du/acre or more)
 - 2) Medium Density Residential (5.9-12.0 du/acre)
 - 3) Low Density (up to 5.8 du/acre)
 - 4) Projects with an affordable component
 - 5) Mixed Use and other innovative housing types
- Geographic Area (in order of importance):
 - 1) Redevelopment Area
 - 2) Village Center
 - 3) Connection of incomplete infrastructure
 - 4) Combination of several smaller parcels
 - 5) Compatibility with surrounding area
- Project Size and Proximity to Existing Development (in order of importance):
 - 1) Small Infill-less than five acres and surrounded by development on three sides
 - 2) Large Infill-over five acres and surrounded by development on three sides
 - 3) Projects already in progress that need additional RGAs for completion

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

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

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 with all RGA applications being identified on a single spreadsheet, and posted on the internet, which results in a high level of transparency and predictability in understanding any given project's approval.

Building Permits and RHNA

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

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

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

Table 38: Regional Housing Needs Allocation (RHNA) vs. Building Permits

Income	RHNA	Units Constructed since 1/1/2007	Potential Number of Units	Remaining Number of Units to Achieve RHNA
Very Low	907	0	907	0
Low	632	50	582	0
Moderate	813	144	425	238
Above Moderate	2,535	160	1,278	1,103
Total	4,888	354	3,192	1,341

Residential Growth Allotment Allocation Process

The City's Growth Management Ordinance, as amended in 2009, sets a schedule of allocating RGAs once per year, with the application deadline on the first Thursday of September, and the allocations to be used to obtain a building permit during the following calendar year. The only exceptions to this schedule occur with applications for affordable housing units (to be processed immediately as received) and for Development Agreement projects with timelines as determined within each agreement.

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

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

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

If this program proves inconvenient for developers in the future, GMO Guidelines Section K provides that "[t]he City Council shall undertake periodic revisions of these GMO Guidelines...as necessary to implement City policies." This Section acknowledges, in part, that the City recognizes the GMO Guidelines must be adaptable to evolving needs related to

developers' timing or other issues. Amending the RGA allocation process by adding a second allocation cycle during the year, for example, would only require a Resolution of the City Council, and not a change to the Growth Management Ordinance.

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

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

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

The GMO approval process allows residential projects to obtain adequate RGAs for small or large projects. Projects of over 500 units have successfully been built in the past, and one 2,250-unit project, Ellis, is currently obtaining RGAs. The following three examples help illustrate the availability of RGAs: Ellis, an infill (Priority Area) site, and Tracy Hills Specific Plan.

1. The GMO allows projects with a Development Agreement to receive up to 225 RGAs per year. The City and Surland Companies (owners of the Ellis project) have entered into a Development Agreement with the City allowing Ellis to obtain up to 225 RGAs per year.
2. Infill site: the GMO Guidelines state that infill (Priority Areas) sites may receive 100 percent of their requested RGAs after the contractual obligation with Development Agreement projects is first satisfied. Ellis is the only project with a Development Agreement. If Ellis requests all 225 RGAs allowed by their Development Agreement, 375 RGAs would be available to this theoretical infill project in any given year. Assuming 75 RGAs per year are requested on an ongoing basis (which is higher than any anticipated infill project in Tracy), then 300 RGAs would remain available for projects other than Ellis or infill projects.
3. Tracy Hills: After fulfilling the Development Agreement obligation with Surland Companies and providing 75 RGAs to the infill project, 300 would be available to Tracy Hills or other projects.

These three examples represent more RGAs than have been requested, per year, in the past eight years. Clearly, an average of 600 RGAs per year, plus the program to exceed 600 RGAs

[per year to accommodate the RHNA, will allow ample opportunities for economies of scale for infrastructure financing that may be desired for larger projects. Hundreds of additional RGAs and building permits will be available each year through the RHNA exemption program identified above, if the City has not achieved its RHNA yet, in any allocation year.](#)

GMO and Affordability

The rate of overpayment for housing decreased in Tracy between 1990 and 2000, down from 40 percent at the time of the 1990 Census to about 35 percent in 2000 ([Table 13](#)). In fact, according to the 2000 Census, the percentage of income spent on housing in Tracy was less than the overall rate for San Joaquin County, the State, and nearby cities, including Lathrop, Manteca, Modesto, Turlock, Stockton, and Livermore. Observations of falling or stable levels of overpayment obviously do not fully disentangle all the elements necessary to conclude that the GMO has not led to an increase in housing costs in the City. The effect of inclusionary housing ordinances, growth management ordinances, and urban growth boundaries on the affordability of housing is a prominent topic for current academic research. There are researchers and scholars with varying and conflicting ideas of the causal relationship (if any) between growth management and housing affordability.

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

[Historically, there are more RGAs and building permits available than the market can absorb in Tracy. The proposed RHNA exemption program, described above, could potentially result in hundreds of additional building permits being available in a calendar year than the 600 annual average or 750 annual limit. Therefore, the annual limits in the past and in the foreseeable future have not affected \(and will not affect\) the supply or cost of housing.](#)

[The RHNA exemption program will effectively result in a rolling average for each RHNA cycle in that to the extent that the City does not achieve its RHNA in any calendar year, the number of permits to achieve the RHNA will be available in each succeeding year.](#)

Planned Unit Development (PUD) Zone

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

Density Bonuses

State law requires the provision of certain incentives for residential development projects that set aside a certain portion of total units to be affordable to lower and moderate income households. The City grants density bonuses to developers who build housing developments of five or more units and construct at least one of the following:

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

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

Specific Plans

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

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

The City anticipates that much of its new residential growth will occur in these Specific Plan areas. Combined, these areas have the capacity to accommodate over 15,000 new housing units, ranging from low-density single-family homes to high density multiple-family apartments and townhomes.

Tracy Hills Specific Plan

Upon buildout, Tracy Hills will consist of 5,499 dwelling units and will provide a distinct hierarchy of housing types that accommodate a wide range of housing objectives, buyer needs and affordability. Planned housing types include custom homes, production homes, smaller detached homes, town-home units, condominiums and apartments. [Table 39](#) summarizes the permitted uses within the Specific Plan area.

Table 39: Tracy Hills Specific Plan Permitted and Conditionally Permitted Residential Uses

	Land Use Zones			
	RE	LDR	MDR	HDR
Attached Single-Family	--	--	P	P
Detached Single-Family	P	P	P	P
Multiple-Family	--	--	P	P
Second Units	C	C	--	--

Ellis Specific Plan

The Ellis community will be characterized by three residential neighborhoods that are all in close proximity to the Village Center: the Village Neighborhood, Garden Neighborhood, and Town & Country Neighborhood. The Village Center will be built out over time in response to market demand. The following is a brief description of the various residential land use designations that make up the Ellis Specific Plan, while [Table 42](#) summarizes the permitted uses allowed within each land use category:

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

Table 40: Ellis Specific Plan Permitted and Conditionally Permitted Residential Uses

	Land Use Zones			
	VC	RML	RMM	RMH
Attached Single-Family	--	--	P	P
Detached Single-Family	--	P	P	P
Multiple-Family	P	--	P	P
Live/Work	P	--	--	--

Ellis Specific Plan is located in the unincorporated County area. The City has already initiated the process to annex this area; however, the annexation is delayed due to pending litigation.

Downtown Specific Plan

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

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

The Outer Core (OC): The Outer Core completes the part of the district that most people will primarily identify as "Downtown." The Outer Core shares all of these distinguishing physical characteristics with the Downtown Core, with two key differences. First, buildings in the Outer Core will more typically be single-use. Rather than featuring ground level retail or restaurant uses, the urban housing and offices in Outer Core buildings will more typically extend to the ground level. Second, the Outer Core provides a transition between the Downtown Core and the typically less urban and more exclusively residential uses beyond. In particular, the Outer Core will create a buffer between the activity and traffic in the Downtown Core and the more tranquil single-family neighborhoods.

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

Mixed Use Corridor (MUC): As 11th Street moves farther away from the Downtown Core, the uses on the corridor will transition from the urban character of the Downtown Gateway District toward the more suburban character of the portions of 11th Street that

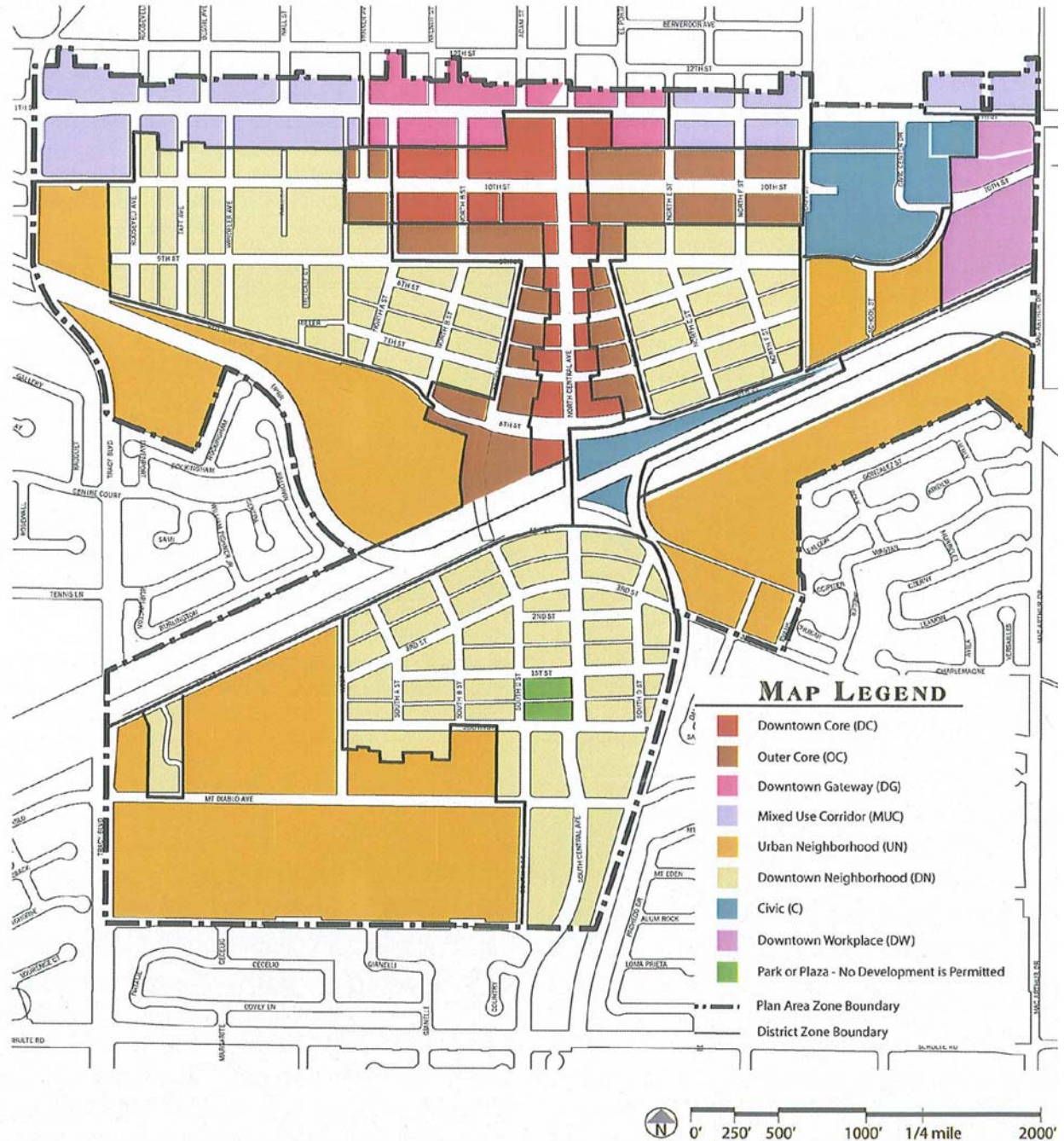
runs through the rest of the City. Buildings in the Mixed Use Corridor segment will not be as tall and will feature deeper front and side setbacks with more landscaping. To provide a pleasing transition to single-family homes located to the rear of development fronting 11th Street, buildings will provide additional step-backs in the building mass as well as deeper buffering rear yards.

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

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

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

Figure 7: Downtown Specific Plan



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

Table 41: Downtown Specific Plan Residential Development Standards

Setbacks (ft.)								
Zoning District	Maximum Building Height	Front	Side Street	Side Yard	Rear Yard	Alley	Public Open Space	Frontage Coverage
DC	5 stories or 59 feet	0	n/a	0	5	5	10	90%
OC	4 stories or 48 feet	10	5	10				80%
DG		60%						
MUC	3 stories or 37 feet	20	10		10			75%
UN		25	15	60%				
DN	2 stories or 26 feet		20	10				5
DW	3 stories or 37 feet	20	10	5				

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

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

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

2. Residential Development Standards

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

Residential Estate Zone (RE) – 0.0 to 2.0 du/acre

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

Low Density Residential Zone (LDR) – 2.0 to 5.8 du/acre

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

Medium Density Cluster Zone (MDC) – 5.9 to 12.0 du/acre

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

Residential Mobile Home Zone (RMH) – up to 10.0 du/acre

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

Medium Density Residential Zone (MDR) – 5.9 to 12.0 du/acre

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

High Density Residential Zone (HDR) – 12.0 to 25.0 du/acre

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

Professional Office and Medical Zone (POM) – 5.8 du/acre

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

General Highway Commercial (GHC)

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

Central Business District (CBD) - 40 du/ac

The Central Business District (CBD) Zone is to provide areas in which pedestrian-oriented establishments, commercial business, service, and office facilities for the convenience of residents of the entire City may locate. Multiple-family dwellings are also conditionally permitted in this zone at a density of up to 40 units per acre, as prescribed in the General Plan.

Development standards specific to each zone district are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the General Plan. These standards also serve to preserve the character and integrity of existing neighborhoods. Specific residential development standards are summarized in [Table 42](#). Generally, development standards can limit the number of units that may be constructed on a particular piece of property. These include density, minimum lot and unit sizes, height, and open space requirements. Limiting the number of units that can be constructed will increase the per-unit land costs and can, all other factors being equal, result in higher development costs that may impact housing affordability.

Table 42: Residential Development Standards

Zoning District	Maximum Building Height	Minimum Net Lot Area (sq. ft.)	Minimum Lot (ft.)		Setbacks (ft.)			Maximum Lot Coverage
			Width	Depth	Front	Rear	Side	
RE	35' (2 ½ stories)	15,000	75	n/a	50	30	20	30%
LDR		5,600	56	90	15	10	3-10	45%
MDC		3,500	45	n/a			4-10	
RMH	35' (2 stories)	2,400	35	60	5	5	5	n/a
MDR	35' (2 ½ stories)	6,000	60	n/a	15-20	10	3-10	45%
HDR	none			n/a	15-20		5-10	
POM		7,500	70	n/a	10		10	50%
GHC		none	n/a	n/a	15	15	15	none
CBD			None		none			

Source: City of Tracy Zoning Ordinance, 2009.

n/a = No prescribed minimum or maximum standard.

Parking requirements for single-family and multi-family residential uses in Tracy are summarized in [Table 43](#). Although the provision of off-street parking can increase the cost of housing, Tracy's standards are reasonable as requirements for multi-family developments are equal to or less than requirements for single-family detached dwellings. Furthermore, given the commute pattern of residents, the parking requirements match the demand in the community. Guest space requirements for multi-family developments are also reasonable because these types of developments do not have private driveways for each unit to accommodate parking for guests as is required for new single-family homes. Nonetheless, because the increased cost of off-street parking can make financing the development of senior housing and housing affordable to lower and moderate income households more difficult, reduced parking and other incentives, concessions, or waivers and modifications of development standards are available for developers of affordable projects that are eligible for a density bonus.

Table 43: Parking Requirements

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

Source: City of Tracy Zoning Ordinance, 2009.

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

3. Provision for a Variety of Housing Opportunities

Housing element law specifies that jurisdictions must identify adequate sites to be made available through appropriate zoning and development standards to encourage the development of a variety of housing types for all economic segments of the population. This includes single-family homes, multi-family housing, second units, mobile homes, and residential care facilities. [Table 44](#) below summarizes the various housing types permitted within the City’s zoning districts.

Table 44: Housing Types Permitted by Zone

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

Source: City of Tracy Zoning Ordinance, 2009.

Notes: P = Permitted C = Use Permit Required

One-Family Dwellings

A “one-family dwelling” is defined in the Zoning Ordinance as a detached building arranged, designed, or used for, and intended to be occupied by, not more than one family, and which building has not more than one primary kitchen and not less than one bathroom. Single-family dwellings are permitted in the RE, LDR, MDC, MDR, and HDR zones.

Secondary Residential Unit

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

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

- The unit shall be exclusively for rental occupancy, or for occupancy by other family members. Sale or ownership separate from the principal dwelling is prohibited.
- The lot on which the unit is to be located must have an area of at least 8,000 square feet.

- The exterior of the unit must be constructed of the same general materials as the principal dwelling.
- The unit must conform to all yard, coverage, and height requirements for the principal dwelling.
- At least one additional off-street parking space is required.
- The floor area must be no less than 300 square feet or more than 460 square feet.

The passage of AB 1866 (effective July 2003) requires cities to use a ministerial process to consider second units in effort to facilitate the production of affordable housing state-wide. Second units must be permitted in all residential zones where a primary single-family unit already exists. Since July 2003, the City has approved secondary residential units without conditional use permit approval. The City will amend the Zoning Ordinance to comply with AB 1866 within one year of adoption of the Housing Element.

Manufactured and Mobile Homes

Manufactured housing and mobile homes can be an affordable housing option for low and moderate income households. The California Department of Finance reported in 2009 that Tracy's housing stock included 476 mobile homes, or approximately two percent of the total housing units in the City. A mobile home built after June 15, 1976, certified under the National Manufactured Home Construction and Safety Act of 1974, and built on a permanent foundation may be located in any residential zone where a conventional single-family detached dwelling is permitted subject to the same restrictions on density and to the same property development regulations. The City's Zoning Ordinance conditionally permits mobile homes in the RE, MDC, MDR, and HDR zones. Mobile homes are also permitted in the LDR zone. The City will amend its Zoning Ordinance to allow mobile homes that meet the building standards and are installed on a permanent foundation in all residential zones where single-family dwelling are permitted.

Mobile home parks are permitted in the RMH zone and conditionally permitted in the RE, MDC, MDR, and HDR zones. All mobile homes in the City are subject to the following standards:

- Each mobile home site must have a minimum area of 2,400 square feet, as well as a minimum width of 35 feet and a minimum depth of 60 feet.
- All intersecting lot lines for individual mobile home sites must be visibly marked by one-half inch rebars, three feet in length and driven to a depth of the finished grade level
- All interior yards for individual mobile home sites, including front, rear, and side, shall be a minimum of five feet
- An off-street parking area is required which provides one additional parking space for every four trailers in the mobile home park to accommodate additional cars for court and visitor parking.

- Recreation or open spaces must be provided for each mobile home park. This recreation/open space must be at least 1,000 square feet, plus 150 square feet for each individual trailer space over ten.

Multiple-Family Housing

According to the State Department of Finance, multiple-family housing makes up approximately 12 percent of the 2009 housing stock in Tracy. Multiple-family housing is permitted within the MDC, MDR, and POM zone districts. Conditional use permits are required for the construction of multiple-family housing in the GHC and CBD zone districts.

Residential Care Facilities

Residential care facilities licensed or supervised by a Federal, State, or local health/welfare agency provide 24-hour non-medical care of unrelated persons who are handicapped and in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual in a family-like environment. According to the State Department of Social Services, Community Care Licensing Division, two licensed group homes with 12 beds and five licensed adult residential facilities with 30 beds are located in Tracy.

[In accordance with Health and Safety Code Section 1566.3, all residential care facilities serving six or fewer persons are permitted without discretionary review in Tracy wherever a single-family home is permitted. All five residential zones \(RE, LDR, MDC, MDR, and HDR\) allow residential care facilities of seven or more persons with a Conditional Use Permit.](#)

Emergency Shelters

Senate Bill 2, enacted in October 2007, requires local governments to identify one or more zoning categories that allow emergency shelters without discretionary review. The statute permits the City to apply limited conditions to the approval of ministerial permits for emergency shelters. The identified zone must have sufficient capacity to accommodate at least one year-round shelter and accommodate the City's share of the regional unsheltered homeless population. Tracy's share of the regional unsheltered homeless population is estimated to be 32 individuals.

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

Transitional Housing

California Health and Safety Code (Section 50675.2) defines "transitional housing" and "transitional housing development" as buildings configured as rental housing developments, but operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Residents of transitional housing are usually connected to supportive services designed to assist the homeless in achieving greater economic independence and a permanent, stable living situation. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments and typically offers case management and support services to help return people to independent living (often six months to two years).

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

Supportive Housing

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

Similar to transitional housing, supportive housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments. Supportive housing usually includes a service component either on- or off-site to assist the tenants in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

The Tracy Zoning Ordinance does not currently address the provision of supportive housing. The Zoning Ordinance will be amended to differentiate supportive housing in the form of group quarters versus regular housing developments. For supportive housing facilities that operate as regular housing developments, such uses will be permitted by right where housing is otherwise permitted. For supportive housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities. Potential conditions for approval of supportive housing for more than six persons may include hours of operation, security, loading requirements, noise regulations, and restrictions on loitering. Conditions would be similar to those for other similar uses and would not serve to constrain the development of such facilities.

Single Room Occupancy Units (SROs)

SRO units are one-room units intended for occupancy by a single individual. They are distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs have one or the other and could be equivalent to an efficiency unit. The Tracy Zoning Ordinance does not contain specific provisions for SRO units. The City will amend its Zoning Ordinance to facilitate the provision of SROs consistent with SB 2 enacted in 2007. The Zoning Ordinance will be amended within one year of the adoption of the Housing Element to permit SROs with a Conditional Use Permit in the MDR and GHC zones.

Farmworker Housing

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

Within the City's Sphere of Influence, 1,230 acres of land are designated for agricultural use. Allowable land uses within this general agricultural designation include livestock ranges, animal husbandry, field crops, tree crops, nurseries, greenhouses, agricultural related residences and structures, public parks and recreational areas, farm employee residences and agricultural offices. Application of treated effluent is also allowed on this land. However, these agricultural lands are all outside City limits.

Housing for Persons with Disabilities

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

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

All residential care facilities serving six or fewer persons are permitted without discretionary review in Tracy wherever a single-family home is permitted. All five residential zones (RE, LDR, MDC, MDR, and HDR) allow residential care facilities of seven or more persons with a Conditional Use Permit.

Definition of Family: Local governments may restrict access to housing for households failing to qualify as a “family” by the definition specified in the Zoning Ordinance. Specifically, a restrictive definition of “family” that limits the number of and differentiates between related and unrelated individuals living together may illegally limit the development and siting of group homes for persons with disabilities, but not for housing families that are similarly sized or situated.⁶ The City of Tracy Zoning Ordinance defines a “family” as “any number of persons living or cooking together on the premises as a single dwelling unit, but it shall not include a group of more than four (4) individuals not related by blood or marriage or legal adoption.” This definition of a family limits the number of non-related individuals in a household and may be construed as restrictive to housing for persons with disabilities (e.g. residential care facilities). The City will amend its definition of a family in the Zoning Ordinance to eliminate any requirements on the number of persons constituting a family.

Building Codes: The Building and Safety Division actively enforces [2010](#) 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.

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

- Common use areas shall be accessible.
- If common tenant parking is provided, accessible parking spaces is required.

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

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

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

4. Development and Planning Fees

Residential developers are subject to a variety of fees and exactions to process permits and provide necessary services and facilities as allowed by State law. In general, these development fees can be a constraint to the maintenance, improvement, and development of housing because the additional cost borne by developers contributes to overall increased housing unit cost. However, the fees are necessary to maintain adequate planning services and other public services and facilities in the City. The City's permit processing and development impact fee schedule for residential development are displayed in [Table 45](#) and [Table 46](#). Most permit processing fees are levied on a full cost recovery basis to recoup actual administrative costs incurred to the City during the development review process. Development impact fees are levied to offset fiscal impacts of new developments.

Table 45: Permit Processing Fees

Type	Amount
Conditional Use Permit	
5+ lots	\$ 9,595 (\$960)
3-4 lots	\$ 5,300 (\$530)
1-2 lots	\$ 3,375 (\$340)
Development Review	
5+ lots	\$3,800
3-4 lots	\$2,700
Environmental Initial Study/Negative Declaration	\$1,420
Environmental Impact Report	Cost Recovery Agreement
General Plan Amendment	Cost Recovery Agreement
Planned Unit Development	\$7,850
Planning Commission Determination	\$1,005
Residential Growth Allotment	\$1,669
Specific Plan Amendment	\$5,100
Tentative Parcel Map	\$7,300
Tentative Subdivision Map	
5-100 lots	\$10,000
101+ lots	\$15,600
Variance	\$672
Zone Change	\$2,550

Source: City of Tracy, Development and Engineering Services (DES) Department [Master Fee Schedule, 2011](#).

Note: _ () = Fee for non-profit organizations.

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

[The following fees are included in the category of building permit fees:](#)

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

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

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

As shown in Table 46, development fees vary depending on housing type and the location of the project. Tracy Unified School District, which covers kindergarten through eighth grade, collects a school facilities mitigation fee of \$5.32 per square foot of new residential construction. Rather than paying the per-square-foot fee, some single-family residential projects have entered into mitigation agreements requiring payments of \$13,721 at building permit issuance or \$14,249 at the time the home is sold by the builder.

In the South Industrial Specific Plan area, a developer can expect to pay \$32,933 in total development impact fees for a typical single-family dwelling unit. For a small multi-family project (2-4 units), development impact fees total approximately \$23,843 per unit, and for large multi-family projects (5+ units), fees total approximately \$20,448 per unit. In the Infill Planning area, a developer can expect to pay \$38,859 in total development impact fees for a typical single-family dwelling unit. For a small multi-family project (2-4 units), development impact fees total approximately \$32,433 per unit, and for large multi-family projects (5+ units), fees total approximately \$25,057 per unit. These fees usually represent between 15 to 20 percent of the total development costs and are comparable to developments in other Central Valley communities.

While the City's fees are tied to the costs of providing necessary services, they can impact the development of affordable housing. The City has regulations that increase the priority under the Growth Management Ordinance, decrease construction costs (reduced parking, etc.), or eliminate zoning requirements (such as density bonus) for affordable housing. The Community Development Agency also helps finance affordable housing projects. In addition, some of the City's processing fees are reduced for nonprofit organizations.

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

Table 46: Development Impact Fees

Type	Amount	
	Infill Planning Area	South Industrial Specific Plan
<i>Water Supply and Treatment</i>		
Single-Family	\$3,976	\$4,613
Multi-Family (2-4 units)	\$3,300	\$3,829
Multi-Family (5+ units)	\$2,664	\$3,091
<i>WWTP (Upgrade)</i>		
Single-Family	\$8,720	\$1,943
Multi-Family (2-4 units)	\$7,251	\$1,620
Multi-Family (5+ units)	\$5,827	\$1,295
<i>WWTP (Conveyance)</i>		
Single-Family	\$331	\$3,237
Multi-Family (2-4 units)	\$276	\$2,676
Multi-Family (5+ units)	\$221	\$2,158
<i>Roadways</i>		
Single-Family	\$7,005	\$6,645
Multi-Family (2-4 units)	\$7,005	\$3,189
Multi-Family (5+ units)	\$3,362	\$3,189
<i>Storm Drainage (Upgrade)</i>		
Single-Family	\$4,213	\$1,311
Multi-Family (2-4 units)	\$2,581	\$642
Multi-Family (5+ units)	\$2,130	\$526
<i>Storm Drainage (Other)</i>		
Single-Family	\$176	\$449
Multi-Family (2-4 units)	\$108	\$220
Multi-Family (5+ units)	\$89	\$227
<i>Community Parks</i>		
Single-Family	\$5,429	\$7,309
Multi-Family (2-4 units)	\$4,524	\$6,091
Multi-Family (5+ units)	\$3,619	\$4,872
<i>Public Buildings and Services</i>		
Single-Family	\$2,628	\$2,712
Multi-Family (2-4 units)	\$2,628	\$2,260
Multi-Family (5+ units)	\$2,628	\$1,808
<i>County Facilities Fee</i>		
Single-Family	\$1,594	\$1,594
Multi-Family (2-4 units)	\$1,366	\$1,366
Multi-Family (5+ units)	\$1,366	\$1,366
<i>Regional Transportation Impact Fee</i>		
Single-Family	\$2,837	\$2,837
Multi-Family (2-4 units)	\$1,702	\$1,702
Multi-Family (5+ units)	\$1,702	\$1,702
<i>New Address Mapping Fee</i>	\$64	\$64
<i>Water Service Meter Installation Fee</i>	\$11	\$11
<i>Groundwater Mitigation Program</i>	\$357	\$357

Source: City of Tracy, 2009.

5. On- and Off-Site Improvements

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

- *Frontage improvements.* The frontage of each lot is required to be improved consistent with the geometric sections of the Roadway Master Plan, including street structural section, curbs, gutters, sidewalks, driveway approaches, transitions, landscaping and street lighting
- *Storm drainage.* Stormwater runoff must be collected and conveyed by an approved storm drain system that provides for the protection of abutting and off-site properties. Off- and/or on-site storm drain improvements and/or detention or retention basins may be required to satisfy this requirement.
- *Water supply.* Each unit or lot must be served by the City water system, with a separate water meter.
- *Underground utilities.* All existing and proposed utilities must be placed underground. Street lighting must also be provided to the standards specified in the City's design documents. Developers must deposit with the City sufficient money to pay for the energy and maintenance of such street-lighting for a period of 18 months or secure funding for lighting through a landscape and lighting maintenance district.
- *Other improvements.* Other improvements, including but not limited to, street lights, fire hydrants, signs, street trees and shrubs, landscaping, irrigation, and monuments, or fees in lieu of any of the above may also be required.
- *Street Design.* The City of Tracy street design criteria are summarized in the table below ([Table 47](#)). Alternative street designs are permitted within specific plan areas.

Table 47: Street Design Criteria

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

Source: City of Tracy, 2009.

VPD=Vehicles per day

6. Building Codes and Enforcement

In addition to land use controls, local building codes also affect the cost of housing. The City currently implements the 2007 California Building Codes, which are based on the International Building Codes. The California Building Codes establish standards and requires inspections at various stages of construction to ensure code compliance and minimum health and safety standards. Although these standards may increase housing production costs, these standards are mandated by the State of California and are intended to provide structurally sound, safe, and energy-efficient housing.

7. Local Permits and Processing Times

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

Certainty and consistency in permit processing procedures and reasonable processing times is important to ensure that the development review/approval process does not discourage developers of housing or add excessive costs (including carrying costs on property) that would make the project economically infeasible. The City is committed to maintaining comparatively short processing times. Total processing times vary by project, but most residential projects are approved in two to four months. [Table 48](#) provides a detailed summary of the typical processing procedures and timelines of various types of projects in the City.

Table 48: Processing Times

Project Type	Reviewing Body	Public Hearing Required	Appeal Body (if any)	Estimated Total Processing Time
Single-Family Subdivision	Planning Commission*	Yes	City Council	2-4 months
Multiple-Family	DES Director	Yes	Planning Commission	2-4 months
Multiple-Family (with subdivisions)	Planning Commission*	Yes	City Council	2-4 months
Mixed Use	Planning Commission	Yes	City Council	2-4 months

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

The processing time for the most common residential development applications are summarized in [Table 49](#). These applications are often processed concurrently. Depending on the level of environmental review required, the processing time for a project may be lengthened. Given the relatively short time periods required for processing residential

development applications in Tracy, the City's permit processing procedures are not a significant constraint on residential development.

Table 49: Approximate Processing Times

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

Source: City of Tracy Planning Department, 2009.

Development Review

A Development Review Permit is required for all housing developments or improvements that require a building permit, except for single-family and two-family residences. An application, including an initial environmental study and site/architectural plans, must be submitted to the City's Development and Engineering Services (DES) Department. Site plan and architectural reviews are completed within the Development Review process. The DES Director reviews applications and has the authority to approve, conditionally approve, or deny an application. In reviewing and evaluating an application, the Director considers the following aspects:

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

Conditional Use Permit

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

A public hearing is required for each application for a conditional use permit. Hearings must be held within 30 days after the date the application was filed. Notice of the public hearing must be given at least 10 days, but not more than 20 days, prior to the date of the hearing. At the public hearing, the Commission reviews each application and receives applicable evidence and testimony concerning the proposed use and the proposed conditions. The Commission must decide on each application within 40 days of the closing of the public hearing.

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

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

8. State Tax Policies and Regulations

Proposition 13

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

Federal and State Environmental Protection Regulations

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

C. Environmental and Infrastructure Constraints

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

1. Geologic and Seismic Hazards

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

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

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

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

2. Flooding

Floodplain zones are determined by the Federal Emergency Management Agency (FEMA) and used to create Flood Insurance Rate Maps (FIRMs) that designate these zones. These maps assist cities in mitigating flooding hazards through land use planning and building permit

requirements. FEMA outlines specific regulations for any construction, whether residential, commercial or industrial within 100-year floodplains. The floodplain is the relatively level land area on either side of the banks of a stream subject to flooding. The 100-year floodplain is the area subject to flooding based on a storm event that is expected to occur every 100 years on average, based on historical data.

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

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

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

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

3. Wildland Fires

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

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

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

- Limiting development in areas with steep terrain
- Requiring new developments to satisfy fire flow and hydrant requirements
- Incorporating drought-resistant and fire-resistant plants in areas subject to wildland fires.
- Regularly training the City of Tracy Fire Department for urban and wildland firefighting conditions.

High fire hazard areas include outlying residential parcels and open lands adjacent to residential area. All new development in Tracy is required to satisfy fire flow and hydrant requirements. No sites improved with residential development to meet or exceed the RHNA are in a high fire hazard area.

4. Hazardous Materials and Waste

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

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

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

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

The City of Tracy participates with San Joaquin County in a household hazardous waste program. Approximately 45,642 pounds of household hazardous waste was collected from the events hosted in Tracy. Tracy residents can also access the permanent household hazardous waste consolidation facility located in Stockton.

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

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

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

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

5. Water Supply

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

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

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

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

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

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

The City of Tracy provides water service to all of its residents. In 2009, the City used approximately 16,700 acre-feet of its 39,000 acre-feet supply. The City's supply is from both surface and groundwater sources and the City is pursuing additional supplies to accommodate future growth. The City will have adequate water to accommodate new residential construction in excess of the RHNA.

6. Wastewater Capacity

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

The WWTP is located north of Interstate 205 and between MacArthur Drive and Holly Drive. The WWTP was constructed in 1930 and has undergone several major expansions. Currently, the WWTP has a design capacity of 10.8 million gallons per day (mgd) and the City has planned and received approvals to expand the wastewater treatment plant, in phases, to 16 mgd. The WWTP also includes an emergency storage pond that provides storage for treated wastewater that does not meet discharge standards.

Wastewater treatment capacity exceeds demand. In 2009, the average dry weather flows were 8.6 mgd. The WWTP has a National Pollutant Discharge Elimination System (NPDES) permit that allows the City to discharge up to 16 mgd average dry weather flow (ADWF) of treated

effluent to the Old River. The permit, which is administered by the Regional Water Quality Control Board (RWQCB), prescribes the maximum allowable discharge rate, effluent quality requirements, discharge prohibitions, receiving water limitations, pretreatment program requirements, biosolids disposal requirements and self-monitoring requirements.

The WWTP provides tertiary-level treatment followed by disinfection. The WWTP unit processes include primary treatment, primary clarifiers, activated sludge process, secondary clarifiers, and filtration, followed by disinfection, which treats the wastewater. The city's major industrial wastewater producer, the Leprino Cheese factory, conveys its wastewater through a separate force main to a pre-treatment pond that is operated by Leprino, but located on WWTP property. After treatment, wastewater is conveyed by a 3.5-mile 33-inch outfall pipeline to a submerged diffuser for discharge into the Old River.

The existing WWTP is in the process of an expansion of capacity from 10.8 mgd to 16.0 mgd in order to meet expected future demand. The City submitted all required documentation to the Regional Water Quality Control Board in 2003 and the revised permit was granted in 2005. This permit allowed the City to expand the existing plant to 16.0 mgd and also provide tertiary treatment meeting Title 22 Requirements. Title 22 is the standard promulgated by the State of California for water recycling. The proposed expansion will take place in four phases and Phase 1 was completed in Spring 2007. The remaining phases will be constructed to match growth in wastewater flows.

The City of Tracy is the wastewater treatment service provider in Tracy. Wastewater treatment capacity exceeds demand. In 2009, the average dry weather flows were 8.6 million gallons per day (mgd). Currently, the City's wastewater treatment plant has a design capacity of 10.8 mgd and the City has planned and received National Pollution Discharge Elimination System (NPDES) approvals to expand the wastewater treatment plant, in phases, to 16mgd. The phased expansions will occur to match growth in wastewater flows. Through the existing facilities and approved expansions, the City will have adequate wastewater treatment capacity to meet and exceed the RHNA.

7. Habitat Protection

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

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

As of 2009, there are six special-status mammals, 24 special-status birds, six special-status reptiles and amphibians, two special-status invertebrates, and twelve special-status plant

species potentially occurring in the Planning Area. These include the San Joaquin kit fox, Swainson's hawk, San Joaquin pocket mouse and the giant garter snake.

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

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

IV. Housing Resources

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

A. Regional Housing Needs Allocation

1. Projected Housing Needs

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

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

- Extremely Low/Very Low Income (up to 50 percent of AMI): 907 units (18.6 percent)
- Low Income (51 to 80 percent of AMI): 632 units (12.9 percent)
- Moderate Income (81 to 120 percent of AMI): 813 units (16.6 percent)
- Above Moderate Income (more than 120 percent of AMI): 2,535 units (51.9 percent)

Credits toward the RHNA

Since the RHNA uses January 1, 2007 as the baseline for growth projections for the Housing Element planning period of 2009-2014, jurisdictions may count toward the RHNA any new units built or issued certificates of occupancy since January 1, 2007. Since January 2007, 354 housing units have been developed in Tracy ([Table 50](#)):

- **Tracy Senior Apartments:** Among these 354 units constructed, 50 units were developed as Tracy Senior Apartments, deed-restricted as housing affordable to low income seniors with income not exceeding 60 percent of the AMI.
- **Forest Greens Apartments:** Another 32 units were developed as the Forest Greens Apartments (eight fourplex structures). These 32 fourplex rental units are moderate in size and according to rental rates for two- and three-bedroom units (average rents range from \$780 to \$1,048) in Tracy, these 32 units are affordable to moderate income

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

households (maximum affordable rents for this income group range from \$1,575 to \$1,840).

- **Duplex Units:** Four units were developed as duplex developments. Given the moderate size of these units, they are affordable to moderate income households at market rents. (Average rent for three-bedroom units is \$1,048 in Tracy, with maximum affordable rents for this moderate income households ranging from \$1,575 to \$1,840).
- **Waterstone Edgewood:** This apartment complex contains one- and two-bedroom units. According to rental rates for this complex, rents range from \$999 for a one-bedroom unit to \$1,410 for a two-bedroom unit.⁹ These rental rates are affordable to moderate income households in Tracy.
- **Single-Family Homes and Other Private Developments:** These types of housing total 160 units. These units are generally affordable only to above moderate income households.

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

Table 50: Credits Toward the RHNA

	Extremely Low/ Very Low 0-50% AMI	Low 51-80% AMI	Moderate 81-120% AMI	Above Moderate > 120% AMI	Total
Building Permits Finaled					
Single-Family Building Permits	0	0	0	154	154
Forest Greens	0	0	32	0	32
Waterstone Edgewood	0	0	114	0	114
Duplexes	0	0	4	0	4
Tracy Place Senior Apts.	0	50	0	0	50
Total	0	50	150	154	354
RHNA	907	632	813	2,535	4,888
Remaining RHNA	907	582	663	2,381	4,533

2. Residential Sites Inventory

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

⁹ www.apartments.com, accessed January 6, 2010.

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

Residential Development Potential in Specific Plan Areas

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

Tracy Hills Specific Plan

The Tracy Hills Specific Plan Development Area is approximately 6,175 acres of rolling terrain that parallels both sides of Interstate 580 north of Corral Hollow Road. This Development Plan Area surrounds one of the six Urban Centers located and defined within the City of Tracy's General Plan Urban Management Plan (UMP). Tracy Hills is planned as a Community Area with distinct residential villages offering a broad range of housing types and supportive services. These support services include a village center with commercial and retail uses, public recreational facilities and greenbelt, greenways and open space system. In addition to the residential component, areas have been designated for industrial and office use so that jobs can be more closely located to the homes of employees. The site plan offers four housing densities for a diverse range of ownership opportunities. These housing densities are designated as Residential Estate Lots (0.5 to 2.0 units per acre), Low Density Residential (2.1 to 5.4 units per acre), Medium Density Residential (5.5 to 12.0 units per acre), and High Density Residential (12.1 to 25.0 units per acre). The Tracy Hills Specific Plan has a total residential capacity of 5,419 housing units.

Table 51: Residential Development Potential in the Tracy Hills Specific Plan

Land Use (Zoning)	Acreage	Average Density (du/acre)	# of Units
Low Density			
Residential Estate Lots (RE)	<u>54.4</u>	<u>1.47</u>	<u>80</u>
<u>Area 42</u>	<u>23.7</u>	<u>1.47</u>	<u>34</u>
<u>Area 43</u>	<u>30.7</u>	<u>1.47</u>	<u>46</u>
Low Density Residential LDR)	<u>549.8</u>	<u>3.50</u>	<u>1,926</u>
<u>Area 1</u>	<u>65.3</u>	<u>3.50</u>	<u>229</u>
<u>Area 2</u>	<u>11.4</u>	<u>3.50</u>	<u>40</u>
<u>Area 3</u>	<u>13.6</u>	<u>3.50</u>	<u>48</u>
<u>Area 4</u>	<u>9.6</u>	<u>3.50</u>	<u>34</u>
<u>Area 5</u>	<u>51.0</u>	<u>3.50</u>	<u>179</u>
<u>Area 7</u>	<u>34.7</u>	<u>3.50</u>	<u>121</u>
<u>Area 8</u>	<u>23.8</u>	<u>3.50</u>	<u>83</u>
<u>Area 9</u>	<u>24.6</u>	<u>3.50</u>	<u>86</u>
<u>Area 10</u>	<u>5.7</u>	<u>3.50</u>	<u>20</u>
<u>Area 11</u>	<u>15.7</u>	<u>3.50</u>	<u>55</u>
<u>Area 12</u>	<u>48.8</u>	<u>3.50</u>	<u>171</u>
<u>Area 13</u>	<u>29.2</u>	<u>3.50</u>	<u>102</u>
<u>Area 14</u>	<u>34.9</u>	<u>3.50</u>	<u>122</u>
<u>Area 15</u>	<u>21.0</u>	<u>3.50</u>	<u>74</u>
<u>Area 16</u>	<u>26.6</u>	<u>3.50</u>	<u>93</u>
<u>Area 17</u>	<u>65.3</u>	<u>3.50</u>	<u>229</u>
<u>Area 18</u>	<u>31.0</u>	<u>3.50</u>	<u>109</u>
<u>Area 19</u>	<u>19.5</u>	<u>3.50</u>	<u>68</u>
<u>Area 44</u>	<u>18.1</u>	<u>3.50</u>	<u>63</u>
Medium Density			
Medium Density Residential (MDR)	<u>541.4</u>	<u>5.50</u>	<u>2,978</u>
<u>Area 20</u>	<u>45.3</u>	<u>5.50</u>	<u>249</u>
<u>Area 21</u>	<u>38.3</u>	<u>5.50</u>	<u>211</u>
<u>Area 22</u>	<u>12.6</u>	<u>5.50</u>	<u>69</u>
<u>Area 23</u>	<u>37.8</u>	<u>5.50</u>	<u>208</u>
<u>Area 24</u>	<u>12.8</u>	<u>5.50</u>	<u>70</u>
<u>Area 25</u>	<u>13.9</u>	<u>5.50</u>	<u>77</u>
<u>Area 26</u>	<u>16.7</u>	<u>5.50</u>	<u>92</u>
<u>Area 27</u>	<u>15.9</u>	<u>5.50</u>	<u>87</u>
<u>Area 28</u>	<u>20.5</u>	<u>5.50</u>	<u>113</u>
<u>Area 29</u>	<u>21.9</u>	<u>5.50</u>	<u>120</u>
<u>Area 30</u>	<u>22.5</u>	<u>5.50</u>	<u>124</u>
<u>Area 31</u>	<u>14.3</u>	<u>5.50</u>	<u>79</u>
<u>Area 32</u>	<u>11.5</u>	<u>5.50</u>	<u>63</u>
<u>Area 33</u>	<u>7.9</u>	<u>5.50</u>	<u>43</u>
<u>Area 34</u>	<u>10.3</u>	<u>5.50</u>	<u>57</u>
<u>Area 35</u>	<u>8.6</u>	<u>5.50</u>	<u>47</u>
<u>Area 36</u>	<u>35.4</u>	<u>5.50</u>	<u>195</u>
<u>Area 37</u>	<u>42.3</u>	<u>5.50</u>	<u>233</u>
<u>Area 38</u>	<u>49.2</u>	<u>5.50</u>	<u>271</u>
<u>Area 46</u>	<u>103.7</u>	<u>5.50</u>	<u>570</u>
High Density			
High Density Residential (HDR)	<u>36.2</u>	<u>12.0</u>	<u>435</u>
<u>Area 39</u>	<u>8.1</u>	<u>12.0</u>	<u>97</u>
<u>Area 40</u>	<u>11.1</u>	<u>12.0</u>	<u>134</u>
<u>Area 41</u>	<u>17.0</u>	<u>12.0</u>	<u>204</u>
Total	<u>1,181.8</u>		<u>5,419</u>

City of Tracy
2009-2014 Housing Element

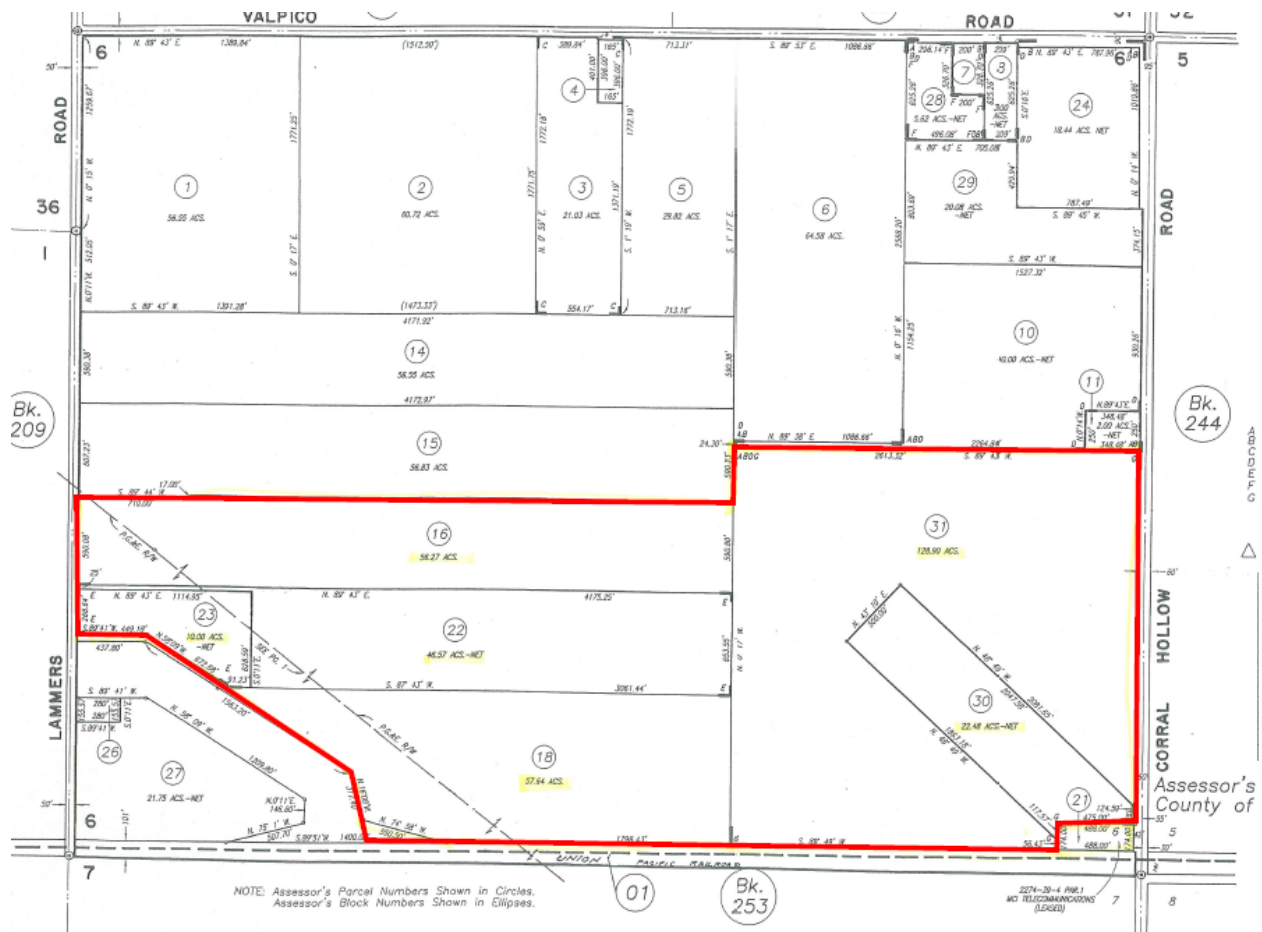


Ellis Specific Plan

The Ellis Specific Plan (ESP) pertains to a 321-acre parcel identified as Urban Reserve 10 in the City of Tracy General Plan. The area is located between Lammers Road and Corral Hollow Road along the north side of the Union Pacific rail line. The vision for Ellis is to create a village with a broad mix of residential housing types and densities, neighborhood parks, and a Community Park/Family Swim Center. Ellis will be a pedestrian-friendly, compact, planned development. A Village Center with commercial and office/professional uses will be located adjacent to the Community Park /Family Swim Center and will serve as the focal point of community activities. These uses will all be within walking distance of each other. The plan is also designed to accommodate a multimodal transit hub (Transit Center), with ACE train and Tracer bus service and commercial space in the event such a use becomes desirable and feasible. Ancillary and low-intensity commercial uses are included as well. The Ellis Specific Plan identifies four residential land use designations: Residential Mixed Low (2.1 to 8.0 units per acre), Residential Mixed Medium (4.0 to 16.0 units per acre), Residential Mixed High (8.0 to 25.0 units per acre), and Village Center (4.0 to 16.0 units per acre). Upon buildout, the plan will accommodate a maximum of 2,250 residential units (minimum 1,200 units), not including secondary residential units.

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

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



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

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

Status: These two requirements were met on December 16, 2008 when the Ellis Specific Plan (Zoning document) and General Plan Amendment were approved by the Tracy City Council by Resolution Number 2008-261, and Ordinance 1130. This step is solely under the authority of the Tracy City Council.

2. Environmental documentation in compliance with CEQA.

Status: On December 16, 2008, by Resolution Number 2008-260, the Tracy City Council certified an Environmental Impact Report (SCH #2006102092) and adopted required Findings of Fact, a Statement of Overriding Considerations, and a Mitigation Monitoring Program. This step is solely under the authority of the Tracy City Council.

3. Official annexation of the Ellis site to the City of Tracy.

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

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

Status: On November 24, 2010, an application for Tentative Subdivision Map approval for the first 400 lots was received by the City. Approval is anticipated to coincide with annexation approval in 2012.

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

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

6. Resolution of ongoing lawsuit.

Status: The Ellis project is the subject of a lawsuit filed by a local slow-growth group called TRAQC. TRAQC has filed other lawsuits in Tracy in the past. Although no injunction or restraining order has been issued by the court, the lawsuit could affect the timing of the project. A court verdict on the lawsuit is expected later this year.

Realistically, annexation by LAFCo could be accomplished in 2012. The Ellis site has received 250 RGAs, to date, and is anticipated to receive more in the future, in accordance with their Development Agreement with the City. If development of the Ellis project proceeds on schedule, construction could commence in 2012. From that point, market demand will likely be the biggest factor to determine the rate of construction. Assuming 125 units per year, construction from the start of the project (2012) to the end of the current planning period (2014) could yield 375 units, although a stronger market demand could result in a quicker rate of construction.

Table 52: Residential Development Potential in the Ellis Specific Plan

Land Use (Zoning)	Acreage	Allowed Density Range (du/acre)	Maximum Number of Units	Potential Number of Units (Mid-Range)
Low Density				
Residential Mixed Low (RML)	122.0	2.1-8.0	976	616
<u>Village Neighborhood</u>	<u>33.0</u>	<u>2.1-8.0</u>	<u>264</u>	<u>167</u>
<u>Garden Neighborhood</u>	<u>34.0</u>	<u>2.1-8.0</u>	<u>272</u>	<u>172</u>
<u>Town and Country Neighborhood</u>	<u>55.0</u>	<u>2.1-8.0</u>	<u>440</u>	<u>277</u>
Medium Density				
Residential Mixed Medium (RMM)	93.0	4.0-16.0	1,488	930
<u>Village Neighborhood</u>	<u>38.0</u>	<u>4.0-16.0</u>	<u>608</u>	<u>380</u>
<u>Garden Neighborhood</u>	<u>44.0</u>	<u>4.0-16.0</u>	<u>704</u>	<u>440</u>
<u>Town and Country Neighborhood</u>	<u>11.0</u>	<u>4.0-16.0</u>	<u>176</u>	<u>110</u>
Village Center (VC)	7.4	4.0-16.0	50	25
<u>Village Neighborhood</u>	<u>7.4</u>	<u>4.0-16.0</u>	<u>50</u>	<u>25</u>
<u>Garden Neighborhood</u>	<u>0</u>	<u>4.0-16.0</u>	<u>=</u>	<u>=</u>
<u>Town and Country Neighborhood</u>	<u>0</u>	<u>4.0-16.0</u>	<u>=</u>	<u>=</u>
Subtotal	<u>200.8</u>		<u>3,076</u>	<u>1,910</u>
High Density				
Residential Mixed High (RMH)	31.2	8.0-25.0	780	515
<u>Village Neighborhood</u>	<u>10.2</u>	<u>8.0-25.0</u>	<u>255</u>	<u>168</u>
<u>Garden Neighborhood</u>	<u>17.0</u>	<u>8.0-25.0</u>	<u>425</u>	<u>281</u>
<u>Town and Country Neighborhood</u>	<u>4.0</u>	<u>8.0-25.0</u>	<u>100</u>	<u>66</u>
	253.6		3,294	2,086

Notes:

1. Maximum # of dwelling units = Maximum Allowed Density x Acreage
2. Realistic # of dwelling units = Midpoint of dwelling unit range specified in Specific Plan.

Residential Development Potential on Other Vacant Sites

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

Low and Medium Density Sites

This sites inventory includes vacant sites designated for Residential Low and Residential Medium uses in various parts of the City. Several of these sites already have approved housing projects but due to the housing market, no building permits have been issued yet. In the cases of sites with approved projects, the capacity is based on the actual approved number of units.

High Density Sites in Downtown Area

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

The Downtown Specific Plan (DSP) is anticipated for adoption in 2012. Although the DSP will include design guidelines for residential and non-residential development, most of the DSP area is currently zoned to allow residential development: Medium Density Residential (MDR) and Central Business District (CBD). Medium Density Residential allows multi-family development up to 12 dwelling units per acre as a principally permitted use. Central Business District zoning allows multi-family development with conditional use permit approval. All of the CBD-zoned property has a General Plan designation of "Downtown." In accordance with the City's General Plan, "residential development is strongly encouraged in the Downtown and allowed at a density of 15 to 40 units per gross acre. Senior housing is allowed within the Downtown designation at a density of up to 50 units per gross acre."

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

The zoning on these sites is required to become consistent with the Downtown General Plan designation within a reasonable period of time. The City has initiated the DSP and a City-wide Zoning Code Update, either of which will cause the Light Industrial Zoning to be changed in order to be consistent with the General Plan. Both of these projects are anticipated to be completed in 2012. In the meantime, if any development is proposed on the Downtown sites zoned as Light Industrial prior to the completion of the DSP or the Zoning Code Update, the City will change the zoning to match the General Plan, concurrent with the development project's discretionary approval.

Altogether, the City has identified nearly 140 acres of this high density land, with a total capacity of 3,455 lower income units. The land use designations for these sites are in place to allow high density residential development to occur. While a few parcels will require the City to change the zoning concurrent with the development approval, such zoning change is technical in nature in order to maintain consistency with the General Plan and therefore would not introduce uncertainty to the approval process. A detailed parcel by parcel inventory of these sites can be found in Appendix B.

City staff used their extensive knowledge of the City to select these particular vacant properties based on a variety of factors, including parcel size, location, and redevelopment potential. Table 53 presents a summary of the total development capacity on the vacant sites identified by the City.

Table 54 summarizes the housing capacity on these same vacant sites based on the existing zonings that allow for residential development. Even without rezoning, the City's vacant parcels can still accommodate approximately 1,540 housing units, 645 units of which will be suitable for lower- and moderate-income households.

Table 53: Residential Development Potential on Vacant Sites

General Plan	Zoning ¹	Density	Acreage	Number of Parcels	Maximum Capacity	Potential Capacity
Low Density						
Residential Low ³	PUD, LDR	5.7-5.8	70.9	3	387	329
Residential Medium ⁴	PUD	6.8	9.4	1	64	64
Urban Reserve ⁵	PUD	4.8	14.9	71	71	71
Subtotal			95.2	75	522	464
Medium Density						
Residential Low ⁶	PUD	11.6	10.0	1	116	116
Residential Medium	MDR, GHC	12.0	11.2	3	162	157
Residential High ⁷	PUD	18.5	4.3	1	80	80
Subtotal			25.6	5	358	353
High Density						
Residential High/Village Center	MDR, I	25.0	74.5	7	1,806	1,442
Downtown	LDR, CBD, I	40.0 ²	59.9	6	2,395	1,913
Commercial	GHC	25.0	1.7	1	41	32
Urban Reserve	PUD	25.0	3.4	1	85	68
Subtotal			137.3	15	4,327	3,455
Total			258.2	95	5,207	4,272
Notes <ol style="list-style-type: none"> 1. There are some inconsistencies between the General Plan and zoning for the Downtown area. The inconsistencies will be resolved upon the adoption of the Downtown Specific Plan (anticipated in 2012). 2. Up to 50 units per acre permitted for senior housing. 3. 103 single-family homes have already been approved. 4. 64 single-family homes have already been approved. 5. 71 single-family homes have already been approved. 6. A 95-unit single-family home project has been approved; 21 of the units have the option to include an additional in-law unit, making the total approved units to 116. 7. 80-unit multi-family project has been approved. 						

Table 54: Existing Housing Capacity on Vacant Sites

Map ID	Site	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use
Low Density									
1	A	213-350-61	Residential Medium	Planned Unit Development	9.42	6.8	64	64	Vacant
2	B	246-140-02	Residential Low	Planned Unit Development	10.87	5.7	103	103	Vacant
3		246-140-03			10.95				
4	K	235-100-32	Residential Low	Low Density Residential	2.00	5.8	11	8	Vacant
5	N	242-040-36	Residential Low	Low Density Residential	47.1	5.8	273	218	Vacant
6-41	Q	240-660-01 thru 36	Urban Reserve 14	Planned Unit Development	14.9	4.8	71	71	Vacant
42-76		240-670-01 thru 35							
Subtotal					95.24		522	464	

Table 54: Existing Housing Capacity on Vacant Sites

Map ID	Site	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use
<i>Medium Density</i>									
77	C	248-560-28	Residential Low	Planned Unit Development	10.01	11.6	116	116	Vacant
78	D	238-080-08	Residential High	Planned Unit Development	4.32	18.5	80	80	Vacant
79	E	234-070-06	Residential Medium	Medium Density Residential	2.39	12.0	35	35	Vacant
80	F	234-070-04	Residential Medium	Medium Density Residential	7.09	12.0	106	106	Vacant
81	T	214-460-04	Residential Medium	General Highway Commercial	1.75	12.0	21	16	Vacant
94		246-140-12	Residential High	Medium Density Residential	2.87	12.0	34	27	Vacant
Subtotal					28.43		392	380	
<i>High Density</i>									
83	G	235-150-23	Downtown	Central Business District	17.05	40.0	682	545	Vacant
95	R	214-320-83	Commercial	General Highway Commercial	1.66	25.0	41	32	Vacant
96	S	240-660-37	Urban Reserve 14	Planned Unit Development	3.43	25.0	85	68	Vacant
Subtotal					22.14		805	645	
Total					157.1		1,719	1,489	

Sites Redesignated and Rezoned During the Last Housing Element Period

During the last Housing Element planning period, the City re-designated 21 acres of vacant land that currently have zoning that permits multi-family (high density) development. Approximately 15 acres (APNs 235-150-06, 07, and 24) allow multi-family development without any express upper end density limit. The General Plan establishes a maximum density on these Downtown sites (zoned CBD) of 40 du per acre. Assuming an average yield of 28 du per acre, the 15 acres zoned CBD would yield 413 dwelling units. An additional six acres (APNs 235-130-15 and 20) were rezoned in 2007 to provide for high density, multi-family development. Multi-family development is principally permitted on these parcels, without a Conditional Use Permit. Assuming an average yield of 18 du per acre, these six acres zoned ISP would yield 111 dwelling units.

Recent Development Trends

Residential development capacity in the specific plan areas are based on approved number of units in the specific plans. In the downtown area, the capacity is estimated based on 80 percent of the allowable densities. Table 55 presents examples of recently constructed projects. These projects demonstrate that the City's development standards are reasonable and are able to achieve an average density at 84 percent of the maximum density permitted.

Table 55: Recent Development Projects (Constructed, Approved, and Proposed)

<u>Project Name</u>	<u>Land Use Designation (Zoning)</u>	<u>Residential Density Allowed</u>	<u>Actual Density</u>		<u>Acreage</u>	<u>Max. Capacity (units)</u>	<u>Actual Capacity (units)</u>
			<u>Density</u>	<u>% of Max.</u>			
<u>Downtown MF Project (Site D)</u>	<u>Residential High (PUD)</u>	<u>25</u>	<u>18.5</u>	<u>75%</u>	<u>4.30</u>	<u>108</u>	<u>80</u>
<u>Waterstone Apartments</u>	<u>Residential High</u>	<u>25</u>	<u>23.9</u>	<u>96%</u>	<u>6.52</u>	<u>163</u>	<u>156</u>
<u>Tracy Place¹</u>	<u>Residential High</u>	<u>25</u>	<u>39.8</u>	<u>159%</u>	<u>1.28</u>	<u>32</u>	<u>50</u>
<u>Chesapeake Bay</u>	<u>Residential High</u>	<u>25</u>	<u>17.9</u>	<u>72%</u>	<u>12.06</u>	<u>301</u>	<u>216</u>
<u>Avalon Condos</u>	<u>Residential High</u>	<u>25</u>	<u>24.4</u>	<u>100%</u>	<u>1.35</u>	<u>33</u>	<u>33</u>

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

Comparison of Sites Inventory and RHNA

The City of Tracy has the capacity to accommodate 9,569 housing units in Tracy Hills and Ellis Specific Plan areas and larger vacant sites throughout the City (Table 51, Table 52, and Table 54). This capacity exceeds the remaining RHNA need of 4,533 units. Table 56 provides a summary of the City's available sites and RHNA status. Adoption of the Downtown Specific Plan is not required in order to allow residential development to occur in the Downtown area as the General Plan Downtown designation is already in place. Even without the Ellis Specific Plan, the City has more than adequate capacity to accommodate its remaining RHNA.

Table 56: Comparison of Sites Inventory and RHNA

Income Category	Tracy Hills Specific Plan	Ellis Specific Plan	Other Vacant Sites	<u>Sites Redesignated</u>	Total Sites	Remaining RHNA	Surplus/ Deficit
Very Low and Low	<u>435</u>	515	<u>645</u>	<u>524</u>	<u>2,119</u>	1,489	+ <u>630</u>
Moderate	<u>2,978</u>	955	<u>380</u>	<u>0</u>	<u>4,313</u>	669	+3, <u>644</u>
Above Moderate	<u>2,006</u>	616	<u>464</u>	<u>0</u>	<u>3,086</u>	2,375	+ <u>711</u>
Total	<u>5,419</u>	<u>2,086</u>	<u>1,489</u>	<u>524</u>	<u>9,518</u>	4,533	+ <u>4,985</u>

Availability of Infrastructure and Services

The Tracy Hills project was analyzed for infrastructure requirements through the EIR in accordance with CEQA (SCH # 95122045). The Ellis project was analyzed for infrastructure requirements through the EIR in accordance with CEQA (SCH # 2006102092). More specifically, the Tracy Hills project will be provided with wastewater treatment at either the existing WWTP or a new facility. Water for Tracy Hills will be provided after improvement and financing plans are completed. The Ellis project will be supplied with both water and wastewater from the City's existing water supplies and the existing WWTP.

B. Adequate Sites Commitment from Prior Housing Element

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

1. Applicability

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

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

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

- **Newly Constructed:** Between January 1, 2001 and July 31, 2003, the City issued building permits for an estimated 3,526 single-family units and 294 multi-family units, inclusive

of the 214-unit Chesapeake Bay project. The Chesapeake Bay development provides 88 units of low income, multi-family housing (126 unrestricted units). The remaining 206 multi-family units are assumed to provide moderate income housing.

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

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

Table 57: 2003 Housing Element Strategy

RHNA	Very Low	Low	Moderate	Above Moderate	Total
RHNA	1,178	914	1,054	3,323	6,469
Newly Constructed	2	88	206	3,526	3,822
Multi-Family in Review	0	0	100	0	100
Multi-Family Approved	0	0	271	0	271
Second Units	0	0	50	0	50
Tracy Hills Specific Plan	0	0	435	4,993	5,428
Vacant Multi-Family Sites	108	109	304	0	521
Remaining RHNA	1,068	717	0	0	1,785

As the City relied on the re-designation or upzoning of several vacant and/or underutilized parcels to fulfill its remaining RHNA for the 2001-2009 planning period, the City must conduct an analysis in this Housing Element to assess if any obligations under AB 1233 have been incurred. In the 2003 Housing Element, approximately 109 acres were identified as potential

sites for rezoning to multi-family residential use. Using conservative assumptions, this land had the potential to accommodate approximately 2,354 lower income units, adequate for meeting the City's remaining RHNA of 1,785 lower-income housing units ([Table 58](#)).

Table 58: Proposed Rezoning

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

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

Table 59: Redesignations Undertaken

	Site	Acres Available	Old GP	New GP	Zoning	Max. Density (du/acre)	Estimated Yield (du/acre)	Est. Potential Units	Existing Use
235-150-06		6.88	C	Downtown	CBD	40	28	192	
235-150-07		3.51	C	Downtown	CBD	40	28	98	Vacant
235-150-24		4.41	I	Downtown	CBD	40	28	123	
246-130-15		2.00		Village Center	ISP	25	18	36	Vacant
246-130-20		4.22		Village Center	ISP	25	18	75	
Valpico/Mission Court		33.8	Industrial	Residential High	--	25	18	608	Construction equipment storage
Valpico/ UPRR		37.1	Industrial	Residential High	--	25	18	668	SF home
Total		91.9						1,800	

2. Conclusion

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

C. Financial Resources

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

1. Redevelopment Set-Aside Funds

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

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

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

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

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

2. Community Development Block Grant (CDBG) Funds

CDBG is the largest federal housing-related program for affordable housing. It is a "pass-through" program that allows local governments to use federal funds to alleviate poverty and blight. Cities with populations of over 50,000 receive CDBG funds directly from HUD, while smaller cities usually use county-administered CDBG funds. HUD makes allocations based on a formula that takes population, poverty, and housing distress into account. CDBG funds are used for a variety of housing efforts including activities aimed at reducing costs for private development (helping fund site acquisition, improvement, and other soft costs); housing acquisition and rehabilitation through short and long-term loans, grants or loan guarantees; direct payment of rent or mortgage and housing counseling services; and fair housing activities. CDBG funds are best used in combination with other subsidy sources or to provide pre-development funding to initiate housing development.

Tracy receives CDBG funds through the San Joaquin Urban County program. The City uses 15 percent of its CDBG funds for public services with the remainder of the allocation going toward public facilities. For FY 2010-11, Tracy was allocated \$402,079 in CDBG funds.

3. HOME Investment Partnership Act (HOME)

HOME, like CDBG, is a formula-based block grant program. HOME funds must be spent only on housing, and are intended to provide incentives for the acquisition, construction, and rehabilitation of affordable rental and home ownership. HOME requires local governments to provide matching funds, though the matching ratio depends on the specific uses to which HOME funds are to be put. The federal-to-local matching ratio for tenant assistance is currently four-to-one, while the match for rental construction is two-to-one. The City has used redevelopment set-aside funds to provide this match.

The City participates in the HOME program through San Joaquin County and has used these funds to support the Downpayment Assistance Program administered for the City by the San Joaquin County. In FY 2010-11, the City of Tracy was allocated \$186,525 in HOME funds.

4. Housing Choice Voucher Assistance (Section 8)

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

5. Proposition 46 and Proposition 1C Funds

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

6. Tax Exempt Multi-family Revenue Bonds

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

D. Administrative Resources

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

1. Development and Engineering Services (DES) Department

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

2. Community Development Agency

The Community Development Agency of the City of Tracy was created in 1990 under the provisions of the Community Redevelopment Law (California Health and Safety Code) to remove blight in the project area. The Community Development Project Area Plan was adopted in July 1990, to provide an improved physical, social, and economic environment in the Project area. The City Council serves as the governing body of the Agency and the City Manager serves as the Executive Director. The Agency's primary source of revenue is incremental property taxes.

3. Finance Department

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

4. Housing Authority of the County of San Joaquin (HACSJ)

The Housing Authority of the County of San Joaquin is the agency responsible for providing decent, safe, and affordable housing for low-income families, elderly, and the disabled. It was established by state legislation, is federally funded, and has been continually serving the low-income population of San Joaquin County since 1942. Since 1974 the San Joaquin Housing Authority has managed the Housing Choice Voucher Program, providing rent subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The Housing Choice Voucher Program, funded by the U.S. Department of Housing and Urban Development, provides housing assistance to extremely low and very low-income families, senior citizens, and disabled or handicapped persons. Its objective is to provide affordable, decent and safe housing for eligible families, while increasing a family's residential mobility and choice.

The Housing Authority currently assists more than 19,000 people through distribution of 4,800 housing vouchers (including single family homes spread throughout the County) and by managing and maintaining 1,075 units in the County's public housing developments. The Housing Choice Voucher Program also includes programs such as Family Self-Sufficiency and Welfare to Work. These are designed to assist families in becoming economically self-sufficient.

5. Non-Profit Housing Developers

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

Visionary Home Builders of California

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

CFY Development, Inc.

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

unit affordable senior housing complex, the Tracy Place Apartments. The complex was completed in 2008.

Bridge Housing

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

Eden Housing

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

6. Opportunities for Energy Conservation

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

City Programs and Policies

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

- New development projects should be designed for solar access and orientation. Maximum efficiency is gained by siting homes on an east-west axis.
- New development projects should include measures to reduce energy consumption through site and building design, material selection and mechanical systems.
- Use of on-site alternative energy sources, such as photovoltaic (PV) cells for commercial, residential and industrial users to install shall be encouraged.

- The City will encourage businesses to replace diesel vehicles with less polluting alternatives such as compressed natural gas (CNG), bio-based fuels, hybrids and electric cars.
- Study programs that encourage “green” building, such as the LEED (Leadership in Energy & Environmental Design) program developed by the US Green Building Council, and consider code amendments that encourage “green” construction.
- Develop a program to educate the public about energy efficiency technologies and practices for homes and businesses, such as solar panels and low-energy appliances.
- Partner with public utilities to establish and promote a program for home weatherization and solar retrofit.
- Develop design guidelines for residential construction to address the placement solar panels.
- New vehicles purchased and leased by the City should be alternatively fueled to the extent feasible. Common alternative fuel technologies include hybrid, electric bio-based fuels and compressed natural gas (CNG).
- The City will promote the development of alternative energy systems, including but not limited to solar thermal, photovoltaic and other clean energy systems, directly into building design and construction.
- The City will support public and private efforts to develop and operate alternative systems of wind, solar and other electrical production that take advantage of local renewable resources.
- Future development projects are expected to consider the following design features, during the Specific Plan, PUD, subdivision, and design development review: solar access and orientation, natural ventilation, energy efficient landscaping and energy efficient and conserving building design and technologies.
- The City shall encourage and support voluntary retrofit energy programs for residential, commercial, and industrial buildings.
- The City shall pursue the implementation of energy efficiency measures of existing and future City facilities as opportunities arise.
- The City shall support land use patterns that maximize energy efficiency, both by minimizing transportation and by making use of existing capital improvements.
- Develop or otherwise make available information to developers and citizens on energy efficient and conserving building design and technologies, including enhanced wall and

ceiling insulation, thermally efficient glazing, and efficient heating and cooling equipment and household appliances.

- Review, and revise if necessary, the zoning ordinance and building codes, to allow for a variety of energy efficiency technologies so long as the revisions do not adversely impact human health or safety or conflict with other goals in this General Plan.

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

Utility Provider Programs

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

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

V. Review of Past Accomplishments

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

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

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

This section summarizes the City's accomplishments in implementing the 2003 Housing Element. A program-by-program review is contained in Appendix C. [Table 60](#) summarizes Tracy's quantified objectives for the 2003-2009 Housing Element period and compares the City's progress in fulfilling these objectives. Between 2003 and 2009, a total of 4,001 building permits for new housing units were finalized in the City of Tracy. The City exceeded its new construction goal by over 3,700 housing units. However, most of these new units were attributed to market-rate housing development, and the City fell short of its production goal for affordable units.

Table 60: 2003-2009 Housing Element Quantified Objectives and Accomplishments

Task	Income Level				Total
	Very Low	Low	Moderate	Upper	
Units to be Constructed					
Objectives	180	120	0	0	300
Actual	0	50	286	3,665	4,001
Households to be Conserved					
Objectives	72	0	0	0	72
Actual	0	0	0	0	0
Units to be Rehabilitated					
Objectives	18	12	15	0	45
Actual	22		0	0	22

VI. Housing Plan

The City of Tracy's long-term housing goal is to provide housing that fulfills the diverse needs of the community. In the short term, this will be accomplished with the objectives, policies, and programs set forth in this Housing Plan. The goals, policies, and programs in the Plan build upon the identified housing needs in the community, constraints confronting the City, and resources available to address the housing needs, and will guide City housing policy through the 2009-2014 planning period.

Goals are statements of community desires which are broad in both purpose and aim, but are designed specifically to establish direction. Policies provide specific standards and/or end states for achieving a goal. Essentially, goals represent desired outcomes the City seeks to achieve through the implementation of policies. Further articulation of how the City will achieve the stated goals is found in the programs. Programs identify specific actions the City will undertake toward putting each goal and policy into action. Quantified objectives identified in particular programs are estimates of assistance the City will be able to offer, subject to available financial and administrative resources.

To make adequate provision for the housing needs of all economic segments of the community, the programs in the Housing Plan aim to:

- Conserve and improve the condition of the existing affordable housing stock;
- Assist in the development of housing for low- and moderate-income households;
- Identify adequate sites to encourage the development of a variety of types of housing for all income levels;
- Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing; and
- Promote housing opportunities for all persons.

[Table 61](#) at the end of this section summarizes the quantified objectives of the various housing programs for the period of July 1, 2009 through June 30, 2014.

A. Conservation of the Existing Supply of Housing

Conserving and improving the housing stock is an important goal for the City of Tracy. The City supports neighborhood preservation and improvement through housing rehabilitation and improvement programs, and code enforcement.

Goal 1.0 **Conserve and improve the condition of the existing housing stock, especially affordable housing.**

Policy 1.1 Promote the continued maintenance and enhancement of residential units.

Policy 1.2 Work to preserve affordable units in publicly assisted housing developments that are at risk of converting to market-rate housing.

Policy 1.3 Facilitate the removal of existing housing that poses serious health and safety hazards to residents and adjacent structures.

Policy 1.4 Work with property owners and nonprofit housing providers to preserve existing housing for low and moderate income households.

Policy 1.5 Promote energy conservation in housing.

Program 1: Downtown Rehabilitation Home Loan Program

This program offers low interest and, in some cases, deferred payment loans of up to \$50,000 to qualified, income-eligible, owner-occupied homeowners in the downtown area for needed home rehabilitation work. Eligible improvements include mechanical, electrical, plumbing, heating and structural systems repair or replacement, drainage improvements, roof repair; painting, siding and weatherizing.

Objectives and Timeframe:

- Continue to provide loans to qualified low and moderate income homeowners.
- Disseminate information to homeowners regarding rehabilitation standards and the Downtown Rehabilitation Home Loan Program.
- Improve one housing unit annually (for extremely low income, very low income, low income, or moderate income households).

Responsible Agency: Tracy Community Development Agency

Funding Sources: CDA Set-Aside

Program 2: Downtown Rehabilitation Grant Program

The Downtown Rehabilitation Grant Program has three components:

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

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

Objectives and Timeframe:

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

Responsible Agency: Tracy Community Development Agency

Funding Sources: CDA Set-Aside

Program 3: Code Enforcement

The Code Enforcement Division handles the enforcement of the City's zoning regulations and building and housing codes. Complaints received are investigated for possible violations and compliance is handled first by direct person to person visit or by telephone to discuss the violations and obtain voluntary compliance. The Code Enforcement Division also works with other city departments and outside state and county agencies.

Objectives and Timeframe:

- Continue to investigate possible code violations.
- Continue to disseminate information on housing rehabilitation assistance available to address code violations and other housing issues.

Responsible Agency: Tracy Code Enforcement Division

Funding Sources: General Fund

Program 4: Graffiti Removal Program

The majority of graffiti is done by graffiti vandals known as "taggers." They are motivated by the need to be recognized. The City of Tracy is proud to have a Graffiti Removal Program. Residents can report any graffiti they happen to see around the City on public or private property to the City's Graffiti Hot Line. This hot line is available 24 hours a day and completely anonymous.

Objectives and Timeframe:

- Continue to operate the Graffiti Hot Line.

Responsible Agency: Public Works Department

Funding Sources: General Fund

Program 5: Affordable Housing Monitoring

The City has a large inventory of affordable housing units with different terms of affordability covenants. The City will continue to monitor the status of affordable units with the objective of preserving the City's affordable housing stock.

Objectives and Timeframe:

- Monitor status of affordable units annually by maintaining contact with property owners and HUD Multi-Family Housing division.
- Solicit interest and participation of nonprofit housing developers to acquire and preserve housing to be maintained as affordable units.

Responsible Agency: Tracy Community Development Agency

Funding Sources: CRA Set-Aside

B. Assist in the Development of Affordable Housing

Providing affordable housing is essential for a healthy community. In addition to a diverse mix of housing types, it is necessary to make available housing for residents of all income levels. Seeking funding from varied sources increases the opportunities for development of affordable housing units. The Tracy Development and Engineering Services (DES) Department actively works with both non-profit and for-profit developers in the production of affordable for-sale and rental housing. Recognizing that homeownership plays a significant role in establishing strong neighborhoods and a sense of community pride, the City supports programs that make purchasing a home a realistic option for lower and moderate income households.

Goal 2.0	Assist in the provision of housing that meets the needs of all economic segments of the community.
Policy 2.1	Facilitate homeownership opportunities for low and moderate income households.
Policy 2.2	Use density bonuses and other incentives to facilitate the development of new housing for extremely low, very low, and low income households.
Policy 2.3	Work with non-profit and for-profit developers to maximize resources available for the provision of housing affordable to lower income households.
Policy 2.4	Address the housing needs of special populations and extremely low income households through a range of housing options, including emergency shelters, transitional housing, supportive housing, and single-room occupancy units.
Policy 2.5	Promote the use of energy conservation features in the design of residential development to conserve natural resources and lower energy costs.

Program 6: Down Payment Assistance Program

The Down Payment Assistance Program is designed to assist qualified first-time homebuyers who wish to purchase a home within designated areas of the Community Development Agency Project Area to increase the proportion of homeownership. The program provides deferred, down payment assistance loans of up to 30 percent of the purchase price of the home with a cap of \$75,000 for low income, first-time homebuyers for the purchase of newly built or existing homes. All first-time home buyers must be certified as first-time home buyers by a HUD approved agency (i.e., Visionary Home Builders). In order to qualify for assistance, the property proposed for purchase must be located within the specified areas of the City of Tracy Community Development Agency Project Area.

Objectives and Timeframe:

- Continue to provide down payment assistance to qualified low and moderate income homeowners.
- Disseminate information to homeowners on the Down Payment Assistance Program.
- Assist 12 households annually (estimated four very low income, five low income, and three moderate income households).

Responsible Agency: Tracy Community Development Agency

Funding Sources: CDA Set-Aside

Program 7: Homebuyer and Financial Literacy Training

Homebuyer and financial literacy education represents a key step to introducing households to the challenges, responsibilities, and benefits of homeownership. These programs also serve as critical components of asset-building, helping families build wealth – savings and equity – rather than living paycheck to paycheck. In particular, homebuyer education programs help first-time buyers evaluate their financial readiness, understand the home buying process, explore different financing options, access homebuyer assistance programs, resolve credit issues, and avoid predatory lending practices. Other asset-building education programs address financial literacy more broadly. Homebuyer and financial literacy programs are best offered in tandem with demand-side initiatives such as a downpayment assistance program.

Objectives and Timeframe:

- Partner with Visionary Home Builders (VHB) to offer homebuyer education classes to residents.
- Publicize the availability of homebuyer education classes to residents.

Responsible Agency: VHB

Funding Sources: HUD funds

Program 8: Affordable Housing Developers

Local governments can support the production of affordable and workforce housing by contributing capital funds to local affordable housing developments. This financial assistance can come in a variety of ways. Many jurisdictions defer, waive, or reimburse local permitting

fees for affordable units, either in 100 percent affordable developments or in mixed-income inclusionary projects. While jurisdictions cannot legally waive impact fees, which are meant to mitigate impacts generated by the project, they may use redevelopment agency funds to cover these costs. Alternately, cities can pay for the necessary infrastructure improvements to prepare a site for residential development, in lieu of collecting impact fees. Below-market rate loans for land acquisition and predevelopment can prove vital for affordable housing developers with limited capital. Local redevelopment agencies often provide these resources using housing set-aside funds. The State also offers a number of funding sources for acquisition and predevelopment costs.

Objectives and Timeframe:

- In [2011/2012](#), investigate the feasibility of providing fee assistance or below-market loans to affordable housing developers in order to support the production of affordable and workforce housing. [Specifically, prioritize assistance to affordable housing projects that set aside units for extremely low income households.](#)

Responsible Agency: Tracy Community Development Agency

Funding Sources: CDA Set-Aside

Program [9](#): Housing Choice Voucher Program (Section 8)

The City of Tracy contracts with the San Joaquin Housing Authority to manage the Housing Choice Voucher Program, which provides rent subsidies in the form of housing assistance payments to private landlords on behalf of eligible families. The Housing Choice Voucher Program, funded by HUD, provides housing assistance to extremely low and very low income families, senior citizens, and disabled or handicapped persons. Its objective is to provide affordable, decent and safe housing for eligible families, while increasing a family's residential mobility and choice. The Voucher Program also includes programs such as Family Self-Sufficiency and Welfare to Work. These are designed to assist families in becoming economically self-sufficient.

Objectives and Timeframe:

- Continue to participate in the federally sponsored Section 8 Housing Choice Voucher program.
- Disseminate information to the public regarding the Section 8 Program and promote participation by rental property owners.
- Continue to provide Section 8 Vouchers to 166 households annually.
- Assist 17 households annually through the Family Self-Sufficiency Program.

Responsible Agency: Housing Authority of the County of San Joaquin

Funding Sources: HUD funds

Program [10](#): Sustainability Program

At the City Council Prioritization Workshop of April 15, 2008, Council directed staff to allocate funding for consulting services to assist the City in implementing a Sustainability Program. Since the April City Council meeting, City staff has formed an Environmental Sustainability

Strategic Priority Team consisting of representatives from the City Manager's Office, Development and Engineering Services, and Public Works. The team has completed an assessment of the City's existing and potential sustainability, or "greening," practices and policies to develop recommendations for a Citywide Sustainability/Greening Strategy. The team has already conducted research on sustainability programs and practices, contacted numerous cities and organizations to acquire knowledge about sustainability efforts, and conducted a citywide greenhouse gas emission inventory and forecast. In addition, the team has reviewed research on City of Tracy sustainability performed by CSU Stanislaus Executive MBA students. A draft Sustainability Action Plan has been developed and is anticipated to receive City Council consideration in 2010. The Sustainability Action Plan will include a measure to develop incentives to promote green building techniques and features.

Objectives and Timeframe:

- Continue to develop the Sustainability Action Plan.
- Disseminate information to the public regarding the Citywide Sustainability Strategy.

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

Funding Sources: Federal Grants and City General Fund

Program [11](#): Affordability by Design

"Affordability by Design" refers to a series of zoning and site design standards that regulate building form to promote the construction of affordable housing. These standards facilitate more efficient use of land, thereby lowering a development's per unit costs without sacrificing construction or building design quality. Although Affordability by Design concepts do not guarantee the provision of affordable housing, they do establish a regulatory environment wherein affordable units may occur. Examples of Affordability by Design concepts include:

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

Objectives and Timeframe:

- Within one year of adoption of the Housing Element, update the Zoning Ordinance to be consistent with the affordability by design concepts described in the General Plan.

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

Funding Sources: Departmental Budget

C. Provide Adequate Housing Sites

A major element in meeting the housing needs of all segments of the community is the provision of adequate sites for all types, sizes and prices of housing. Persons and households of different ages, types, incomes, and lifestyles have a variety of housing needs and preferences that evolve over time and in response to changing life circumstances. Providing an adequate supply and diversity of housing accommodates changing housing needs of residents. The Tracy General Plan and Zoning Ordinance, as well as Specific Plans, establish where housing may locate. To provide adequate housing and maximize use of limited land resources, new development should be constructed at appropriate densities that maximize the intended use of the land.

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

Policy 3.1 Provide for a range of residential densities and products, including low-density single-family uses, moderate-density town homes, and higher-density apartments, condominiums, and units in mixed-use developments.

Policy 3.2 Encourage development of residential uses in strategic proximity to employment, recreational facilities, schools, neighborhood commercial areas, and transportation routes.

Policy 3.3 Encourage compatible residential development in areas with recyclable or underutilized land.

Policy 3.4 Promote the adaptive reuse of existing commercial/industrial buildings as a conservation measure.

Policy 3.5 Promote flexible development standards to provide for a variety of housing types.

Program [12](#): Inventory of Residential Sites

The City will maintain an inventory of vacant sites to accommodate the City's Regional Housing Needs Assessment (RHNA) of 4,888 units. Specifically, the City has already achieved 354 units since January 1, 2007, with a remaining RHNA of 4,533 units (907 extremely low/very low, 582 low, 669 moderate, and 2,378 above moderate income units). The City will ensure that an adequate supply of vacant sites at appropriate densities and development standards to accommodate the remaining RHNA.

Objectives and Timeframe:

- [Continue to pursue the annexation of Ellis Specific Plan area with a target date of 2012.](#)
- [Adopt Downtown Specific Plan in 2012.](#)
- [Complete Zoning Code update to implement the General Plan in 2012, specifically rezone Raleys properties \(33.8 acres\) and Valpico Road properties \(37.1 acres\) from](#)

Industrial to High Density Residential consistent with the General Plan to provide a maximum capacity of 1,772 units and an average capacity of 1,276 units, where multi-family is permitted by right.

- Monitor the sites inventory annually to assess the City's continued ability to facilitate a range of residential housing types.
- Make the inventory of vacant sites available to interested developers after adoption of the Housing Element.

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

Funding Sources: Departmental Budget

Program 13: Property Acquisition and Improvement

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

Objectives and Timeframe:

- Continue to identify additional properties for potential development, particularly within the Redevelopment Project Area, and pursue development rights or purchase of these properties.
- Continue to assist in site acquisition for affordable housing. As funding permits, prioritize funding assistance to affordable housing projects that set aside units for seniors, persons with disabilities, and extremely low income households.
- Partner with nonprofit organizations to explore the development of a land trust. If a land trust is established, ensure the land trust program includes a component that benefits households with extremely low incomes.
- Bi-annually compile a list of properties considered for acquisition and a summary of sites acquired and number of units produced.

Responsible Agencies: Tracy Development and Engineering Services (DES) Department, Community Development Agency, Economic Development Department, and local nonprofits

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

Program 14: Inclusionary Housing

Inclusionary programs are established through local ordinances that require market rate residential developers to set aside a certain portion of units in a development for income-restricted affordable housing (both rental and homeownership). The current housing market

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

Objectives and Timeframe:

- Continue to explore the potential and set the stage for a voluntary inclusionary housing program [that includes an extremely low income component](#).
- [Bi-annually](#) monitor the City's affordability conditions and identify an inclusionary housing trigger, [if necessary](#).

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

Funding Sources: Departmental Budget

Program [15](#): Resale of Foreclosed Properties

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

San Joaquin County received \$9 million under the NSP, of which \$1.9 million is to be spent on activities in Tracy. Specifically, only homes in five Census Block Groups that cover the northwestern corner of the City may be acquired and resold under the NSP. These areas were identified by the County in its NSP grant application as having the "greatest need" due to the concentration of foreclosure activities.

Objectives and Timeframe:

- Acquire and rehabilitate nine foreclosed properties, and subsequently resell or rent them to households earning up to 120 percent of AMI.
- Conduct outreach and publicize the availability of these foreclosed properties to residents.

Responsible Agency: San Joaquin County Community Development Department with Visionary Home Builders

Funding Sources: NSP funding

D. Remove Governmental Constraints

Pursuant to State law, the City is obligated to address, and where legally possible, remove governmental constraints affecting the maintenance, improvement, and development of housing. Removing constraints on housing development can help address housing needs in the City by expediting construction, and lowering development costs.

Goal 4.0 Mitigate any potential governmental constraints to housing production and affordability.

Policy 4.1 Review and adjust as appropriate residential development standards, regulations, ordinances, and processing procedures that are determined to constrain housing development, particularly housing for lower and moderate income households and for persons with special needs.

Policy 4.2 Allow more than 150 affordable housing units as exceptions under the GMO.

Program [16](#): Extremely Low Income and Special Needs Housing

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

Objectives and Timeframe:

Within one year of the adoption of the Housing Element, the City will amend the Zoning Ordinance to address the following:

- *Emergency Shelters:* The City will amend its Zoning Ordinance to permit homeless shelters with a ministerial permit within the MDR and HDR zones. [Objective performance standards will be established and these standards will be the same as similar uses in the MDR and HDR zones.](#)
- *Transitional Housing:* The City will amend its Zoning Ordinance to differentiate transitional housing in the form of group quarters versus as regular housing developments. For transitional housing facilities that operate as regular housing developments, such housing will be permitted where similar housing is otherwise permitted. For transitional housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities.
- *Supportive Housing:* The Zoning Ordinance will be amended to differentiate supportive housing in the form of group quarters versus as regular housing developments. For supportive housing facilities that operate as regular housing developments, such uses will be permitted where similar housing is otherwise

permitted. For supportive housing facilities that operate as group quarters, such facilities will be permitted as residential care facilities.

- *Single Room Occupancy Units (SROs)*: The City will amend its Zoning Ordinance to permit SROs with a Conditional Use Permit in the MDR and GHC zones.
- *Reasonable Accommodation*: The City will amend the Zoning Ordinance to implement a reasonable accommodation procedure to address reasonable accommodation requests.
- *Second Units*: The City will amend its Zoning Ordinance to permit second units in residential zones where a primary single-family unit already exists.
- *Manufactured and Mobile Homes*: The City will amend its Zoning Ordinance to allow manufactured/mobile homes installed on a permanent foundation in all residential zones where single-family dwellings are permitted

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

Funding Sources: Departmental Budget

Program 17: Growth Management Ordinance (GMO)

Under the GMO, builders must obtain a Residential Growth Allotment (RGA) in order to secure a residential building permit. The GMO limits the number of RGA's and building permits to an average of 600 housing units per year for market rate housing, with a maximum of 750 units in any single year. The City is proposing to amend the GMO to ensure that the RHNA be entirely accommodated. Specifically, the City is proposing to amend the GMO which would allow issuance of building permits, up to the City's RHNA in each income category based on HCD criteria. Should the demand for building permits exceed Measure A limits in a calendar year, the City would issue building permits until the City's RHNA obligation in each income category has been met.

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

Residential projects exempt from the GMO are not counted toward the 600 annual average or the 750 annual maximum. By adding another exemption (that is, building permits needed to meet the RHNA), these, too, would not be counted toward the annual 600 average or 750 maximum.

In addition, the current GMO requires that the affordable units utilizing the affordable housing exemption be deed restricted for 55 years. Recognizing that the 55-year deed restriction term is

not consistent with several State and federal housing programs, the City will be amending the GMO to reduce the affordability restriction to ten years.

Objectives and Timeframe:

- Amend the GMO within one year of the adoption of the Housing Element.
- Annually monitor and evaluate the Growth Management Ordinance for the impacts on the cost, supply and timing of housing including seeking input from residential developers and affordable housing stakeholders in reviewing the effects of the GMO. The annual review will analyze the ability to accommodate the City's regional housing need, constraints on supply and affordability of housing and the process for applying and reviewing allocations. The review will reflect the RHNA as a minimum and consider impacts on overall housing supply in addition to accommodating the RHNA. Factors to be considered include:
 - New RHNA exemption program;
 - Overall impacts on housing supply based on the new RHNA exemption in addition to the annual limit;
 - Number of building permits issued under the exemption by income categories and housing type;
 - Number of total applications, applications approved or denied and developer interest in applications;
 - Timing for approving allocations; and
 - Potential uncertainty associated with scoring criteria used to evaluate application for allocations.

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

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

Funding Sources: Departmental Budget

E. Provide Equal Housing Opportunities

To meet the housing needs of all segments of the community, the Housing Plan includes a program to promote housing opportunities for all persons regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, age, or physical disability. The City works with the Stockton-San Joaquin Community Housing Resource Board, which provides several fair housing and tenant/landlord services.

Goal 5.0 **Continue to promote equal housing opportunity in the City's housing market regardless of age, race, color, national origin, ancestry, sex, disability, marital status, familial status, source of income, sexual orientation, and any other arbitrary factors.**

- Policy 5.1** Provide fair housing services to Tracy residents, and ensure that residents are aware of their rights and responsibilities regarding fair housing.
- Policy 5.2** Provide equal access to housing for special needs residents such as the homeless, elderly, and disabled.
- Policy 5.3** Promote the provisions of disabled-accessible units and housing for mentally and physically disabled.

Program [18](#): Definition of “Family”

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

Objectives and Timeframe:

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

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

Funding Sources: Departmental Budget

Program [19](#): Reasonable Accommodation

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

Objectives and Timeframe:

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

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

Program 20: Fair Housing

The City actively furthers fair housing in the community. Specifically, the City continues to support the Stockton-San Joaquin Community Housing Resource Board in its activities to promote fair housing. The City refers complaints regarding fair housing and housing discrimination issues to the Fair Housing Office of the San Joaquin County Housing Authority and maintains this service using CDBG funds.

Objectives and Timeframe:

- Continue to support the Stockton-San Joaquin Community Housing Resource Board and provide referral services.
- Advertise services of the Stockton-San Joaquin Community Housing Resource Board in City buildings and other public buildings (such as public libraries, community centers, County Housing Authority offices, and post offices, etc.), at a variety of community locations (such as offices of nonprofit service providers), and distribute flyers to apartment management companies and real estate offices.

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

Funding Sources: CDBG funds

Table 61: Summary of Quantified Objectives

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction (RHNA)	453	454	632	813	2,535	4,888
Rehabilitation						
Downtown Rehabilitation Loan	1	1	2	1	0	5
Downtown Rehabilitation Grant	5	5	10	5	0	25
NSP	0	2	2	5	0	9
Preservation	No units at risk during planning period					
Assistance						
Downpayment Assistance	0	20	25	25	0	60
Section 8	83	83	0	0	0	166
Family Self-Sufficiency	8	9	0	0	0	17

Appendix [A](#): Public Participation

Appendix A: Public Participation

A. Service Provider and Housing Developer Interviews

1. Peacemakers, Inc.

3081 Teagarden Street
San Leandro, Ca 94577

Contact: Hank Roberts, Founder

Phone: (510) 830-5755

Background: Peacemakers Inc. is a 501 (C) (3) non-profit school based mentoring program dedicated to the peace, safety and education of students in challenging public school environments.

Services Provided:

1. Educational contracts with those students that come into the program; support to the entire school staff, students, and parents with mentors – peer and adult while on site. Supporting those adult family members that may be unemployed, under employed, uneducated, ex-offenders and parolees without job skills through re-education or job training; utility bills, a food bank, and clothing bank, and professional help in health care.
2. *Grassroots Good News Bureau:* The Grassroots Good News Bureau is a network of students working as a news crew at their local school, who do video, web, and published reports of good news, human interest stories, and events in their community. Students function as reporters, editors, news anchors, camerapeople, make-up, lighting, sound, and public relations to name just a few responsibilities in front of and behind the camera. Each student gets a taste of what various jobs and functions require, as an entry point to how to pull together a bona fide production – and get them ready to compete and excel in their own media careers should they choose pursuing this path. At the least they are exposed to a profoundly useful skillset in a wide range of areas. The goal is to tie in this production to other events and activities at their school (music, acting, sports, etc.) as well as in the local community that they are able to cover; then tie regionally weighted productions into a Grassroots GoodNews TV Show to be seen on the web and local Cable Access Channels.
3. *YourWellbeingness.com:* Focuses on nutrition that enhances preventative health care through the foods children eat on a daily basis. Benefiting a student's ability to concentrate fully while in class. Fostering the body's own ability to attain and retain literacy in English, Math, and Reading. Most importantly, the ability to control behavior now that their diet has been corrected.

Clients Served: Approximately 75 annually.

Comments:

- The recent economic downturn has led to an increase in the number of elderly raising their grandchildren.
- The organization has had to turn potential clients away because the program is already over capacity.

Suggestions for the City:

- The City could partner or sponsor Peacemakers. This would help the organization expand its programs and services to other schools in the City. The organization currently only operates out of Monte Vista Middle School.
- The City could provide additional funding to Peacemakers so programs and services can meet increased demand.

2. Stocktonian Taking Action to Neutralize Drugs (STAND) Home Builders

1209 E 8th St
Stockton, CA 95206-2208

Contact: Larry Johnson, Director
Phone: (209) 937-7625

Background: STAND, a neighborhood non-profit housing organization located in southeast Stockton.

Services Provided: STAND purchases and restores houses as a means of raising money to clean up neighborhoods in the San Joaquin Valley. After restoration, the homes are sold to lower- and moderate-income households. Preference is also given to veterans. STAND also works with the Neighborhood Stabilization Program (NSP) program in Tracy.

Clients Served: STAND has bought, repaired and sold over 110 homes all over San Joaquin County to low and moderate income families. In the City of Tracy, STAND oversees 36 projects, most of which are single-family homes.

Comments:

- Direct counseling services have had to be scaled back due to extreme budget cutbacks, reduced State funding and a drop-off in local donations.
- Funding is difficult to obtain and banks are often uncooperative.

Suggestions for the City:

- City should provide help with marketing of rehabilitated homes and assist STAND with trying to find qualified buyers.
- City should assist qualified buyers with downpayment assistance
- The City has identified priority redevelopment areas. The City should increase grant funding to these areas specifically so that more can be done in these areas quickly.

3. Sutter Healthy Connections

35 E. 10th St. Suite A
Tracy, CA 95376

Contact: Iris Rodriguez

Phone: (209) 833-2420

Background: The mission of Sutter Healthy Connections is: to help individuals and families make healthy choices, to assist them in caring for family members, and to promote the well-being of the community at large. Located in downtown Tracy, Healthy Connections offers a wealth of health education resources and social and family support services available through Sutter Tracy Community Hospital and county and local non-profit agencies.

Services Provided:

1. *Basic information and Referral:* The Agency can provide information and referrals to community resources. Every client is screened for health insurance and either given referrals or assigned an appointment for enrollment assistance with Charterhouse Center for Families, who utilizes our "visiting agency" office to provide enrollment to those who qualify for Medi-Cal, Healthy Families or Healthy Kids Insurance Programs.
2. *Case Management:* The Agency's Social Worker and Case Manager assists families who have multiple needs for resources through a development of a case plan or referral to a Family Success Team meeting.
3. *Family Success Teams:* Cased managed families who are very motivated are chosen to participate in this strength based approach to receiving services. A team of representatives from local agencies such as the Women's Center, Pregnancy Resource Center, WorkNet, Family Resource & Referral, and Child Protective Services provide support and guide families in developing a family plan.
4. *PRICE Parenting Classes:* This parenting class encourages parent interaction and uses strategies to teach parents how to create boundaries, set limits and teach children about the consequences of their actions. Optimal for parents of children ages 0-12, the classes are one day per week, for two hours, for the duration of six weeks.
5. *Other Services and Programs:* Assistance with post-partum depression; Asthma management classes; Computer access to reliable health information on the Web; Information, referral and help accessing hospital and community resources; Lactation and new baby support; Low or no cost health insurance enrollment for families; Information and assistance including for seniors including Senior Safety Program; Information and referral to local support groups; Parenting Classes; Parent & Me support group for mothers with infants and toddlers; and Parent-infant play group.

Comments:

- Lack of funding is an issue.
- There is also a lack of human service agencies in the City. Many clients have to go to Stockton to turn in paperwork and transportation is difficult to arrange. The City also only has one emergency shelter.

- Clients have expressed a need for more affordable rental housing in the City, as well as foreclosure and eviction assistance.

Suggestions for the City:

- Many clients have to travel to Stockton to turn in paperwork for insurance or aid programs. The City should create an office in Tracy that is capable of handling this paperwork.
- The City should develop more affordable housing.
- The City needs another emergency shelter.
- The City needs more human service agencies.

4. Visionary Home Builders of California (VHB)

315 N. San Joaquin Street
Stockton, CA 95202

Contact: Jose Nuño, Director of Development

Phone: (209) 466-6811

Background: Since its founding in 1983, Visionary Home Builders has developed more than 1,000 units of rental housing and 500 single-family homes. Serving communities from Sacramento to Fresno, VHB is one of the leading private, nonprofit housing development agencies in the San Joaquin Valley.

VHB's Services and Affordable Housing:

1. *Farm Worker Housing:* Valle del Sol (76 units), Villa de San Joaquin (31 units)
2. *Multi-Family Housing:* Almond Terrace Apartments (46 units), Cedar Gardens Apartments (146 units), Church Street Triplex (3 units), Dewey Apartments (10 units), Diamond Cove Townhomes (60 units), Diamond Cove Townhomes II (40 units), Emerald Pointe Townhomes (19 units), Emerald Pointe Townhomes II (3 units), Grant Village Townhomes (40 units), Marquis Place (21 units)
3. *Senior Housing:* Delta Plaza Apartments (30 units)
4. *Education Services:* VHB also offers foreclosure and homebuyer education opportunities.

Comments:

- Funding is a major challenge, especially recently. Cities have no money to invest in affordable housing and tax credit opportunities are limited.

Suggestions for the City:

- VHB needs local investment (money from Cities and the County) as leverage to be competitive in its TCAC application. When local governments don't have money to invest in projects it makes VHB less competitive in the application process. The City can help by providing financial assistance for housing projects, especially for multi-family rental properties.

5. Surland Development

1024 Central Ave
Tracy, CA 95376

Contact: Les Serpa, Founder

Phone: (925) 242-7000

Background: Surland Development is a specialty home building company. Surland is currently developing the Ellis project in the City of Tracy, which consists of approximately 2,250 units.

Comments:

- Attached multi-family housing is difficult to do in Tracy. Development impact fees for multi-family housing are high, which makes it more economical to just build single-family housing.
- The City's Growth Management Ordinance isn't really hindering housing development. The current state of the housing market is what is slowing down development.
- Surland has been working on the Ellis development since 1992.
- It isn't always clear how much a developer will need to pay in fees for housing development in the City. The current system is set up so the actual fee amount isn't known until after the project is approved. For budget purposes, it would be nicer to know at the start of the project how much in fees will need to be paid.

Suggestions for the City:

- The City can establish a fee deferral program, where the fees are collected at the close of escrow rather than up front.
- The City can also consider setting up master fees. This would make it easier for developers to estimate how much in fees they will need to pay.
- City staff is helpful and processes applications relatively quickly. But the CEQA process requires many hearing, which is expensive and inefficient.

B. Public Meeting Outreach

1. Public Notice

You are invited to attend a Planning Commission and/or City Council meeting regarding an update to the City of Tracy's General Plan
Housing Element

The Planning Commission and City Council will each conduct a study session regarding an update to the General Plan Housing Element in City Council Chambers, 333 Civic Center Plaza . The Housing Element, required by State law to be updated every five years, provides information and policies to accommodate maintenance and development of housing for all members of the community. The Planning Commission and City Council will receive a brief presentation regarding the status of the Housing Element update, discuss the Preliminary Draft Housing Element, and receive input from the public regarding the Housing Element. All interested parties are encouraged to attend and participate in these public meetings.

Planning Commission Study Session
Wednesday, April 14, 2010
During the regularly scheduled meeting
7:00 p.m. or as soon thereafter as possible

City Council Study Session
Tuesday, April 20, 2010
During the regularly scheduled meeting
7:00 p.m. or as soon thereafter as possible

A Preliminary Draft of the Housing Element will be available at the Tracy City Hall DES Counter (address below) or on the City's web site at www.ci.tracy.ca.us/departments/des/planning beginning the week of April 5, 2010. Comments or questions regarding the proposed Housing Element update are welcomed and may be submitted to Alan Bell, Senior Planner, City of Tracy, 333 Civic Center Plaza, Tracy, CA 95376 or alan.bell@ci.tracy.ca.us.

SANDRA EDWARDS
City Clerk

2. Housing Element Mailing List

Housing Element Mailing Labels

Updated 1/26/10

Celeste Garamendi Tracy Region Alliance for a Quality Community P.O. Box 1299 Tracy, CA 95378	John Beckman, CEO BIA of the Delta 509 W. Weber Ave., Suite 410 Stockton, CA 95203	Tracy Chamber of Commerce 223 E. Tenth Street Tracy, CA 95376
Jim Franco, Superintendent Tracy Unified School District 1875 W. Lowell Avenue Tracy, CA 95376	Housing Authority – County of San Joaquin 340 W. Fourth Street Tracy, CA 95376	Housing Authority – County of San Joaquin 448 S. Center Street Stockton, CA 95203-3426
Habitat for Humanity 31 E. Vine Street Stockton, CA 95202	Habitat for Humanity P.O. Box 7429 Stockton, CA 95267-0429	John Beckman, CEO 315 N. San Joaquin Street, Suite 202 Stockton, CA 95203
Standard Pacific Ron Buck 3825 Hopyard Road, #195 Pleasanton, CA 94566	Norm Soares Bright Development 1620 N. Carpenter Rd., Bldg B Modesto, CA 95351	Les Serpa Surland Development 1024 N. Central Ave. Tracy, CA 95376
Dan Schack Schack & Company P.O. Box 339 Tracy, CA 95378	Mike Souza Souza Realty & Development 105 E. Tenth Street Tracy, CA 95376	California Housing Finance Agency 1415 L. Street, Suite 500 Sacramento, CA 95814
Visionary Home Builders 315 N. San Joaquin Street Stockton, CA 95814	STAND P.O. Box 30231 Stockton, CA 95213-0231	Sharon Simas Service First of Northern California 102 W. Bianchi Road Stockton, CA 95207
Lammersville Elementary School District Dale H. Hansen, Superintendent 300 E. Legacy Drive Mountain House, Ca 95391	Jefferson School District Dana Eaton, Superintendent 1219 Whispering Wind Drive Tracy, CA 95377	Cliff Coler, CEI Central Valley Assoc. of Realtors 16890 S. Harlan Road Lathrop, CA 95330
Britt Evans E.F. Communities 2406 Merced Street San Leandro, CA 94577	McHenry House for the Homeless 739 A Street Tracy, CA 95376	Vince Marchini 12750 W. Lammers Road Tracy, CA 95377
San Joaquin Fair Housing 247 E. Minor Avenue Stockton, CA 95203	Eden Housing 22645 Grand Street Hayward, CA 94541	ClearPoint Credit Counseling 2291 W. March Ln., Suite A110 Stockton, CA 95207

w/planning/housing element 2009/General Public Mailing List 01 26 10

Housing Element Mailing Labels

Updated 1/26/10

Eduardo Morales
El Concilio
95 W. Eleventh Street, Suite 104
Tracy, CA 95376

Monica Guitierrez
City of Tracy – MCYSN
333 Civic Center Plaza
Tracy, CA 95376

CARC San Joaquin
807 N. San Joaquin St.
Stockton, CA 95202

CARC - Clinical & Family
6702 Inglewood Ave., Suite I
Stockton, CA 95207

CARC - Corporate Office
333 W. Benjamin Holt Dr., Suite 1
Stockton, CA 95207

CARC – Manteca Center
134 Pacific Road
Manteca, CA 95336

CARC – PWW
6709 Plymouth Rd., Suite C
Stockton, CA 95207

CARC – Stockton Center
7616 Pacific Ave., Suite A-6
Stockton, CA 95207

Boys & Girls Club of Tracy
753 W. Lowell Avenue
Tracy, CA 95376

Mediation Center of San Joaquin
Co.
829 Rose Marie Lane, Suite D
Stockton, CA 95207

New Beginnings Ministries
P.O. Box 1141
Tracy, CA 95376

Peacemakers, Inc.
3081 Teagarden St.
San Leandro, CA 94577

Point Break Adolescent Resources
1102 N. School Street
Stockton, CA 95205

Pregnancy Resource Center
1039 Central Ave.
Tracy, CA 95376

Sutter Healthy Connections
35 E. Tenth Street, Suite A
Tracy, CA 95376

VBR Foundation, Inc.
1852 W. Eleventh Street #699
Tracy, CA 95376

Vinewood Center for Children &
Families
35 E. Tenth Street
Tracy, CA 95376

Brighter Christmas
P.O. Box 642
Tracy, CA 95378

Child Abuse Prevention Council
540 N. California Street
Stockton, CA 95202

Mark Humphreys
Give Every Child a Chance
3402 Mars Court, Suite 111
Tracy, CA 95377

Dudley McGee
Kimball Hill Homes
10535 E. Stockton Blvd., Suite K
Elk Grove, CA 95624

Steven G. Spencer
New America Homes
4600 S. Tracy Blvd., Suite 103
Tracy, CA 95377

Steven G. Spencer
Spencer Enterprises, Inc.
5286 East Home Ave.
Fresno, CA 93727

Tracy Press
145 W. Tenth Street
Tracy, CA 95376

Tracy Public Library
20 E. Eaton Avenue
Tracy, CA 95376

w/planning/housing element 2009/General Public Mailing List 01 26 10

Appendix [B](#): Residential Sites Inventory

Appendix B: Residential Sites Inventory

Map ID	Site	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use	Notes
Low Density										
1	A	213-350-61	Residential Medium	Planned Unit Development	9.42	6.8	64	64	Vacant	Small lot, single family project approved; no building permits issued yet.
2	B	246-140-02	Residential	Planned Unit Development	10.87	5.7	103	103	Vacant	Single-family project approved; no building permits issued yet.
3		246-140-03	Low		10.95					
4	K	235-100-32	Residential Low	Low Density Residential	2.00	5.8	11	8	Vacant	
5	N	242-040-36	Residential Low	Low Density Residential	47.1	5.8	273	218	Vacant	
6-41	Q	240-660-01 thru 36	Urban Reserve 14	Planned Unit Development	14.9	4.8	71	71	Vacant	Finished lots, but no homes constructed yet. Most of these lots are between 5,000 and 7,000 square feet. A few lots at the ends of cul-de-sacs are over 10,000 square feet.
42-76		240-670-01 thru 35								
Subtotal					95.24		522	464		
Medium Density										
77	C	248-560-28	Residential Low	Planned Unit Development	10.01	11.6	116	116	Vacant	95-unit project approved. 21 units have the option for an additional in-law unit; no building permits issued yet.
78	D	238-080-08	Residential High	Planned Unit Development	4.32	18.5	80	80	Vacant	Multi-family project approved. No building permit issued yet.
79	E	234-070-06	Residential Medium	Medium Density Residential	2.39 ¹	12.0	35	35	Vacant	The MDR zone permits one dwelling unit for each 2,900 square feet of net lot area.
80	F	234-070-04	Residential Medium	Medium Density Residential	7.09 ¹	12.0	106	106	Vacant	The MDR zone permits one dwelling unit for each 2,900 square feet of net lot area.
81	T	214-460-04	Residential Medium	General Highway Commercial	1.75	12.0	21	16	Vacant	
Subtotal					25.56		358	353		

Map ID	Site	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use	Notes
<i>High Density</i>										
82	G	235-150-06	Downtown	Low Density Residential	6.88	40.0 ²	275	220	Vacant	The General Plan designations for these sites were changed to Downtown with the 2006 General Plan update. The zoning will be changed to be consistent with the General Plan designation with the Downtown Specific Plan project, scheduled for adoption in 2012 .
83		235-150-23		Central Business District	17.05		682	545		
84		235-150-24		Low Density Residential	4.41		176	140		
85	H	235-150-02	Downtown	Light Industrial	11.90	40.0 ²	476	380	Vacant	The General Plan designations for these sites were changed to Downtown with the 2006 General Plan update. The zoning will be changed to be consistent with the General Plan designation with the Downtown Specific Plan project, scheduled for adoption in 2012 .
86		235-150-14			14.65		586	468		
87		235-150-26			5.02		200	160		
88	O	246-130-03	Residential High	Light Industrial	7.68	25.0	192	153	Vacant	The General Plan designations for these sites were changed to Residential High or Village Center with the 2006 General Plan update. The zoning will be changed to be consistent with the General Plan designation with a General Plan amendment project, scheduled for adoption in 2012 . In addition to Map ID parcels 88 through 91, Site O contains a potential future roadway (called Mission Court on the final map) that has been offered for dedication to the City but has not undergone any improvements (utilities, paving, etc.). If desired, the potential Mission Court roadway (approximately 1.3 acres) could be incorporated into one or all of Map ID parcels 88, 89, 90, or 91 for residential development.
89		246-130-04			5.00		125	100		
90		246-130-05			11.29		282	225		
91		246-130-06			7.69		192	153		
92		246-130-16	Village Center		3.62		90	72		

Map ID	Site	APN	General Plan	Zoning	Acres	Density (units/acre)	Maximum Capacity	Potential Capacity	Existing Use	Notes
93	P	246-140-01	Residential High	Light Industrial	34.18	25.0	854	683	Vacant	The General Plan designations for these sites were changed to Residential High or Village Center with the 2006 General Plan update. The zoning will be changed to be consistent with the General Plan designation with a General Plan amendment project, scheduled for adoption in 2012 .
94		246-140-12		Medium Density Residential	2.87		71	56		
95	R	214-320-83	Commercial	General Highway Commercial	1.66	25.0	41	32	Vacant	The GHC Zone permits multi-family uses with a conditional use permit. The Tracy Municipal Code does not prescribe a maximum density for multi-family uses in the GHC zone. It is reasonable to anticipate a density similar to the HDR zone: 12.1 to 25 du/acre.
96	S	240-660-37	Urban Reserve 14	Planned Unit Development	3.43	25.0	85	68	Vacant	
Subtotal					137.33		4,327	3,455		
Total					258.13		5,207	4,272		

Notes:

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

Appendix [C](#): Review of Past Accomplishments

Appendix C: Review of Past Accomplishments

Program Summary (2003-2009)

Program Description		Objectives	Accomplishments
Goal #1: A Diversity of Housing Opportunities that Satisfy the Physical, Social, and Economic Needs of Tracy Residents			
1.1	Provide a range of residential development opportunities through appropriate land use and zoning designations.	<ul style="list-style-type: none"> Re-designate/rezone at least 72 acres to accommodate residential development at a density of at least 25 units per acre Revise zoning code to prohibit development of single-family residences in HDR zone and prohibit new operations of crop and tree farming in the MDC, MDR, and HDR zones 	<ul style="list-style-type: none"> Through the General Plan update the City changed the General Plan designation on at least 72 acres to provide sites that allow at least 25 units per acre. The Zoning Code update is still in progress and is expected to be completed in 2010. Prohibition of single-family homes (or established minimum densities) in the in HDR Zone and elimination of crop and tree farming from the residential zone districts is part of the zoning code update currently underway. The City anticipates completion of that project in 2010.
1.2	Sites for Homeless and Emergency Shelters	<ul style="list-style-type: none"> Revise the Zoning Ordinance by the end of 2004 to permit transitional housing and emergency housing in appropriate zones 	<ul style="list-style-type: none"> Transitional housing and emergency housing is part of the zoning code update currently underway. The City anticipates completion of that project in 2010.
1.3	Land Banking and Land Trust	<ul style="list-style-type: none"> Assist in site acquisition for affordable housing Pursue land acquisition for affordable housing development, particularly sites near the downtown and within the Community Development Agency Redevelopment Project Area. Partner with nonprofit organizations to explore the development of a land trust program 	<ul style="list-style-type: none"> Acquired one site for a Habitat for Humanity House that was completed and occupied in 2009. The City has been collaborating with Visionary and working toward the goal of a land trust program. These efforts have been somewhat stalled, however, as a result of the poor housing market, so the program has not yet moved forward.
1.4	Requirement for a Variety of Housing Types and Sizes	<ul style="list-style-type: none"> Consider the adoption of a policy requiring a variety of housing types and sizes to be provided in each new subdivision, annexation, and/or specific plan with the update of the General Plan 	<ul style="list-style-type: none"> This policy was adopted with the General Plan update of 2006.

Program Summary (2003-2009)

Program Description		Objectives	Accomplishments
1.5	Housing for Persons with Disabilities	<ul style="list-style-type: none"> Amend the Zoning Ordinance to address constraints to the development and improvement of housing for persons with disabilities Facilitate the development of affordable housing for seniors and persons with disabilities with incentives, which may include density bonus, assistance with land acquisition and gap financing, support for grant applications, and/or other feasible options. 	<ul style="list-style-type: none"> Zoning amendments for housing for persons with disabilities is part of the zoning code update currently underway. The City anticipates completion of that project in 2010. The City provided financial assistance for the Village Apartments, a rehabilitation of apartments for seniors. The City also provided funding for the 50-unit Tracy Place Apartments, completed and occupied in 2008.
1.6	Community Care Facilities	<ul style="list-style-type: none"> Update the Zoning Ordinance to permit State-licensed community care facilities serving six or fewer persons by right in all residential zones Update the Zoning Ordinance to permit State-licensed community care facilities serving more than six persons in the MDR and HDR zones via a conditional use permit. 	<ul style="list-style-type: none"> Zoning code amendments regarding community care facilities are part of the zoning code update currently underway. The City anticipates completion of that project in 2010.
1.7	Downpayment Assistance Program	<ul style="list-style-type: none"> Continue to provide downpayment assistance to all qualifying households. Develop a plan in 2004 to effectively market the availability of the program to existing and future residents on an ongoing basis Pursue additional programs to expand homeownership opportunities to lower and moderate-income households. 	<ul style="list-style-type: none"> The City provided down-payment assistance 21 households between 2005 when the program began, and the present. The marketing plan for the program was developed and approved by the City Council on December 7, 2004. Expanded homeownership opportunities through the Down Payment Assistance Program (DAP).

Program Summary (2003-2009)

Program Description	Objectives	Accomplishments
Goal #2: Balanced Growth between Housing Production, Employment, and Provision of Services		
<p>2.1 Growth Management Allocation</p>	<ul style="list-style-type: none"> • Review and revise, as necessary, the Growth Management Ordinance and/or Guidelines in 2005 to facilitate multi-family and affordable housing development. • Allow more than 150 affordable housing units as exceptions to the GMO by January of 2005. • Extend the infill housing priority projects allocation to 2009 by January of 2005. • Develop prioritization policy for infill priority projects by January of 2005. 	<ul style="list-style-type: none"> • The GMO and GMO Guidelines were revised by the City Council on May 19, 2009. • The language in the GMO regarding the number of RGAs available each year to Affordable Housing Exceptions was not changed from the 2005 Ordinance, which states a maximum of 150 Affordable RGAs per year. The reason this was not changed is because it was put in place through Measure A, as approved by Tracy voters in 2009, and the language could not be amended without another ballot initiative approved by voters. However, when the City Council determined in early 2001 that the City will allocate as many RGAs to affordable projects as are qualified to receive them each year, not limiting the number to 150. • The revised GMO and Guidelines adopted in May also established the City's Infill area as the "Primary Residential Growth Area", designated on a map. The regulations within the GMO Guidelines are such that the Primary Area has first priority (aside from any Development Agreement projects that may be in place) to receive all of the RGAs available within every calendar year. Once all of the available RGAs are allocated to Primary Area (infill) projects, then the Secondary Areas may receive any remaining RGAs that are available. This prioritization of the Primary Areas as a whole eliminated the need to extend the 100 RGAs per year to what the City used to call "Priority" projects. Now infill is not only the priority for the first 100 RGAs, but it is the priority for all of them.

Program Summary (2003-2009)

Program Description		Objectives	Accomplishments
2.2	Housing in Downtown	<ul style="list-style-type: none"> As a part of the update of the General Plan and comprehensive revision of the Zoning Ordinance, provide appropriate development standards and incentives for higher-density housing in the downtown area. 	<ul style="list-style-type: none"> In July 2006, the City created the “Downtown” General Plan designation. Allowed uses in the Downtown area include residential development at a density of 15 to 40 units per gross acre. As a part of the City’s General Plan update, the City has established a Land Use Policy which states: “New residential development or redevelopment of existing residential shall be allowed and encouraged in or around the Downtown.” In 2006, the City hired the firm of Freedman, Tung and Sasaki to prepare a Specific Plan for Tracy’s downtown, which is anticipated to be adopted next year. In June 2009, the City amended its Growth Management Ordinance to give priority to the downtown area when distributing residential building permits.
Goal #3: Preservation and Improvement of the Existing Affordable Housing Stock			
3.1	Preservation of At-Risk Units	<ul style="list-style-type: none"> Monitor the at-risk status of Village Apartments annually and contact the project owner to discuss preservation options and incentives. Work with the San Joaquin County Housing Authority to provide technical assistance regarding the availability of rental vouchers in case units are converted to market-rate housing. Work with the property owner and nonprofit housing providers to pursue preservation of the at-risk units. 	<ul style="list-style-type: none"> The City worked with Pacific American Properties on the Village Apartments, and with Tracy Village Garden Associates on Tracy Village Garden Apartments to provide funding sources so that they would be able to rehabilitate the units for seniors and low-income residents.

Program Summary (2003-2009)

Program Description		Objectives	Accomplishments
3.2	Residential Rehabilitation Program	<ul style="list-style-type: none"> • Annually, continue to allocate CDBG funds to the Neighborhood Preservation Program. • Develop a marketing campaign to promote the Neighborhood Preservation Program by the end of 2004 to improve participation, with an objective of achieving 10 units per year. • Continue to seek additional funds to expand the program. 	<ul style="list-style-type: none"> • The City allocated \$2,500,000 between 2004 and 2008, first starting with \$1,000,000, and then adding an additional \$1,500,000 in 2008 because of the initial success of the program. • The marketing campaign was started for the program in December 2004. • Issued 22 rehab loans since the program began in 2004.
3.3	Housing Choice Voucher Program	<ul style="list-style-type: none"> • Continue to contract with the San Joaquin County Housing Authority to administer the program, and support the Housing Authority's efforts in applying for additional voucher allocations and petitioning for increases in the payment standards. 	<ul style="list-style-type: none"> • Continued to assist Tracy households through the Housing Choice Voucher Program.
3.4	Public Housing	<ul style="list-style-type: none"> • Continue to support the San Joaquin County Housing Authority's efforts in administering the program and in applying for comprehensive capital grants for the improvement of the public housing units. 	<ul style="list-style-type: none"> • The City has supported the Housing Authority each year by allocating the following amounts to San Joaquin Fair Housing each fiscal year: <ul style="list-style-type: none"> ❖ 03/04--\$10,900 ❖ 04/05--\$3,395 ❖ 05/06--\$12,100 ❖ 06/07--\$12,100 ❖ 07/08--\$12,227 ❖ 08/09--\$12,788 ❖ 09/10--\$11,692
3.5	Shared Housing	<ul style="list-style-type: none"> • Research and identify public and private nonprofit agencies that have the capacity and experience to operate a shared housing program. Encourage the appropriate agency to establish a program for Tracy and the region by providing technical support in funding applications. 	<ul style="list-style-type: none"> • The City has been talking with Visionary in order to work on establishing a shared housing program. The City has also been working with Federal stimulus money to buy foreclosed homes through the Neighborhood Stabilization Program.

Program Summary (2003-2009)

Program Description		Objectives	Accomplishments
Goal #4: Increased Supply of Housing Affordable to All Economic Segments of the Community			
4.1	Density Bonus Program	<ul style="list-style-type: none"> • Incorporate density bonus provisions as part of Zoning Ordinance revisions. • Devise and implement an outreach plan. 	<ul style="list-style-type: none"> • The City adopted a density bonus ordinance on January 8, 2008, and prior to its adoption, worked with interested members of the development community (in individual meetings and through the standard public hearing notice process prior to adoption) to ensure that the regulations within the ordinance would not render potential density bonus projects infeasible.
4.2	Second Units	<ul style="list-style-type: none"> • Review the Second Unit Ordinance to ensure that development standards facilitate and encourage the development of second units without compromising neighborhood integrity. • Amend the Second Unit Ordinance to comply with State law in 2005. • Encourage the inclusion of second units in the planning of new subdivisions and specific plans. • Consider waiving all development impact fees for second unit applicants. 	<ul style="list-style-type: none"> • The 2006 General Plan update included a policy stating that “second units...shall be allowed and encouraged in existing and new neighborhoods.” Amendments to the City’s second unit ordinance are part of the zoning code update. The City anticipates completion of this project in 2010.
4.3	Modify Development Standards	<ul style="list-style-type: none"> • By the end of 2004, review development standards and establish a set of modified standards as incentives to facilitate affordable housing development, incorporating these modified standards into the revised Zoning Ordinance in 2005. 	<ul style="list-style-type: none"> • Reviewing development standards for affordable housing development is part of the zoning code update currently underway. The City anticipates completion of this project in 2010.

Program Summary (2003-2009)

Program Description		Objectives	Accomplishments
4.4	Local, State, and Federal Funding	<ul style="list-style-type: none"> • Continue to work closely with housing developers to pursue various funding mechanisms • Continue review of the funding programs offered by the State Department of Housing and Community Development and U.S. Department of Housing and Urban Development • Develop detailed description and eligibility information on various programs in 2004 and continue to publish the availability of housing assistance to residents and issue notices of funding availability to inform developers via City website, brochures at public counters, and newspapers 	<ul style="list-style-type: none"> • We do community outreach to advertise the Down payment Assistance Program and rehabilitation loans, but because we have developers regularly coming to us asking for assistance and partnerships for funding, we have not had to advertise to find parties interested in working with us.
4.5	Equity Sharing	<ul style="list-style-type: none"> • Work with nonprofit organizations to offer shared equity programs as an affordable housing option for lower- and moderate-income households. • Pursue one shared equity project annually. 	<ul style="list-style-type: none"> • The City has not yet completed any share equity projects.
4.6	Housing for Seniors	<ul style="list-style-type: none"> • Work with affordable housing developers to provide a range of low-cost housing options for seniors. • Continue to offer incentives such as increased density, reduced parking requirements, and financial assistance to facilitate the development of senior housing. • Partner with private and nonprofit developers to pursue funding resources for affordable senior housing. • Encourage the use of second units as an affordable rental housing option for seniors. 	<ul style="list-style-type: none"> • The City worked with CFY Development to provide funding for the 50-unit Tracy Place senior project. • The City provided \$1,975,000 from the Community Development Agency Housing Set-Aside Fund 281 for the Village Garden senior apartment rehabilitation project. • The City has not received any applications for secondary residential units since 2003.

Program Summary (2003-2009)

Program Description		Objectives	Accomplishments
Goal #5: Equal Housing Opportunity for All Residents of Tracy			
5.1	Fair Housing Services	<ul style="list-style-type: none"> Continue to support the Housing Resource Board and provide referral services. Advertise services of the Resource Board in City buildings, public buildings throughout the city, and transit centers by the end of 2004. 	<ul style="list-style-type: none"> The City has provided approximately 12 referrals per year to Fair Housing Services, and advertises their services on the City website.
Goal #6: Coordination among Public and Private Organizations that Address Housing Issues			
6.1	Public/Private Partnership	<ul style="list-style-type: none"> Develop a list of private and nonprofit developers with interest in developing affordable housing in Tracy and conduct a developer's workshop by the end of 2004 to explore ways to get units built in the City. Partner with private and non-profit organizations in funding applications and solicit funding support from lenders, the business community, and philanthropic organizations. Work with private and nonprofit developers to facilitate affordable housing, maximizing the use of remaining growth management allocation available. 	<ul style="list-style-type: none"> The City has been contacted by numerous developers and has held many individual meetings with them regarding their specific prospective projects. The City attempted to partner with the Tracy Unified School District on funding a project to build affordable units for teachers, but the money for the project from the school district fell through and the project was not completed. Worked with CFY on Tracy Place Apartments.
6.2	Redevelopment Implementation Plan	<ul style="list-style-type: none"> Continue to pursue specific affordable housing goals and objectives using financing available in the five-year Redevelopment Implementation Plan. Annually monitor the Agency's progress toward fulfilling the redevelopment affordable housing obligations (inclusionary and replacement) via annual reports to the State Department of Housing and Community Development. 	<ul style="list-style-type: none"> Within the 5-year Redevelopment Area Plan, most of the projects were not residential. The ones that somewhat relate to residential development are the creation of a downtown Specific Plan, and cleanup of the bowtie area (for some future housing). Both of these projects are currently in process. The City's most recent annual report on its redevelopment activities was completed on December 29, 2008.

Program Summary (2003-2009)

Program Description		Objectives	Accomplishments
6.3	Annual Reporting	<ul style="list-style-type: none">• Develop, by the end of 2004, a monitoring program and report to the City Council on implementation progress and forward monitoring report to HCD annually. Adjust, if necessary, implementation strategies to ensure achievement of affordable housing goals.	<ul style="list-style-type: none">• The City has not developed a monitoring program, but rather reports the information to the City Council as it is available.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov



October 20, 2011

Mr. Bill Dean, Manager
Planning Department
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

RECEIVED

OCT 24 2011

CITY OF TRACY
D.E.S.

Dear Mr. Dean:

RE: Review of the City of Tracy's Revised Draft Housing Element Update

Thank you for submitting Tracy's revised draft housing element update received for review on October 20, 2011. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). The review was facilitated by communications with you, Mr. Alan Bell, Senior Planner, and Ms. Veronica Tam, of Veronica Tam and Associates.

The revised draft element addresses the statutory requirements described in the Department's August 19, 2010 review. For example, the element now includes programs to address governmental constraints. As a result, the revised element will comply with State housing element law (Article 10.6 of the Government Code) when these revisions are adopted and submitted to the Department, pursuant to Government Code Section 65585(g).

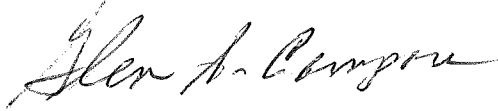
The Department's finding of compliance is conditioned on the successful implementation of Program 17 to amend the City's Growth Management Ordinance (GMO) to, among other things, establish a regional housing need allocation exemption. This Program must be completed within one year of adoption of the element. The City should notify the Department following implementation of Program 17.

The City should utilize the annual General Plan progress report required by Government Code Section 65400 to monitor and report on progress in implementing the element, including Program 17. These reports are required to be completed and submitted to the Department by April 1. Failure to submit forthcoming annual reports by the due date, with the necessary evaluation and information, will trigger a review of the housing element for compliance with the law. In addition, should the annual General Plan progress report indicate that actions have not been completed by the date indicated in Program 17, the element will no longer comply with State housing element law.

Mr. Bill Dean, Manager
Page 2

The Department appreciates the hard work and dedication of Mr. Bell and Ms. Tam in preparation of the housing element and looks forward to receiving Tracy's adopted housing element. If you have any questions or need additional technical assistance, please contact Brett Arriaga, of our staff, at (916) 445-5888.

Sincerely,

A handwritten signature in cursive script, reading "Glen A. Campora". The signature is written in dark ink and is positioned above the printed name and title.

Glen A. Campora
Assistant Deputy Director

CITY OF TRACY PROPOSED NEGATIVE DECLARATION

Project Name:

City of Tracy 2009 – 2014 General Plan Housing Element

Project Description:

The project is an update to the City of Tracy Housing Element, covering the planning period of July 1, 2009 through June 30, 2014. California State law mandates that all cities and counties prepare a Housing Element as part of their General Plan and periodically review and revise the Housing Element. The Housing Element is a policy document containing an analysis of the City's demographic and housing characteristics; a review of potential constraints to meeting the City's identified housing needs; an evaluation of resources available to address housing goals; and housing goals, policies, and programs to address Tracy's identified housing needs.

Project Location:

The coverage area of the Housing Element, as with all elements of the General Plan includes the entire City and may affect some areas outside the City limits, within the Sphere of Influence, that may be annexed in the future.

Project Proponent:

City-Initiated Project

Lead Agency Contact:

Alan Bell, Senior Planner, City of Tracy
(209) 831-6426, alan.bell@ci.tracy.ca.us

Finding:

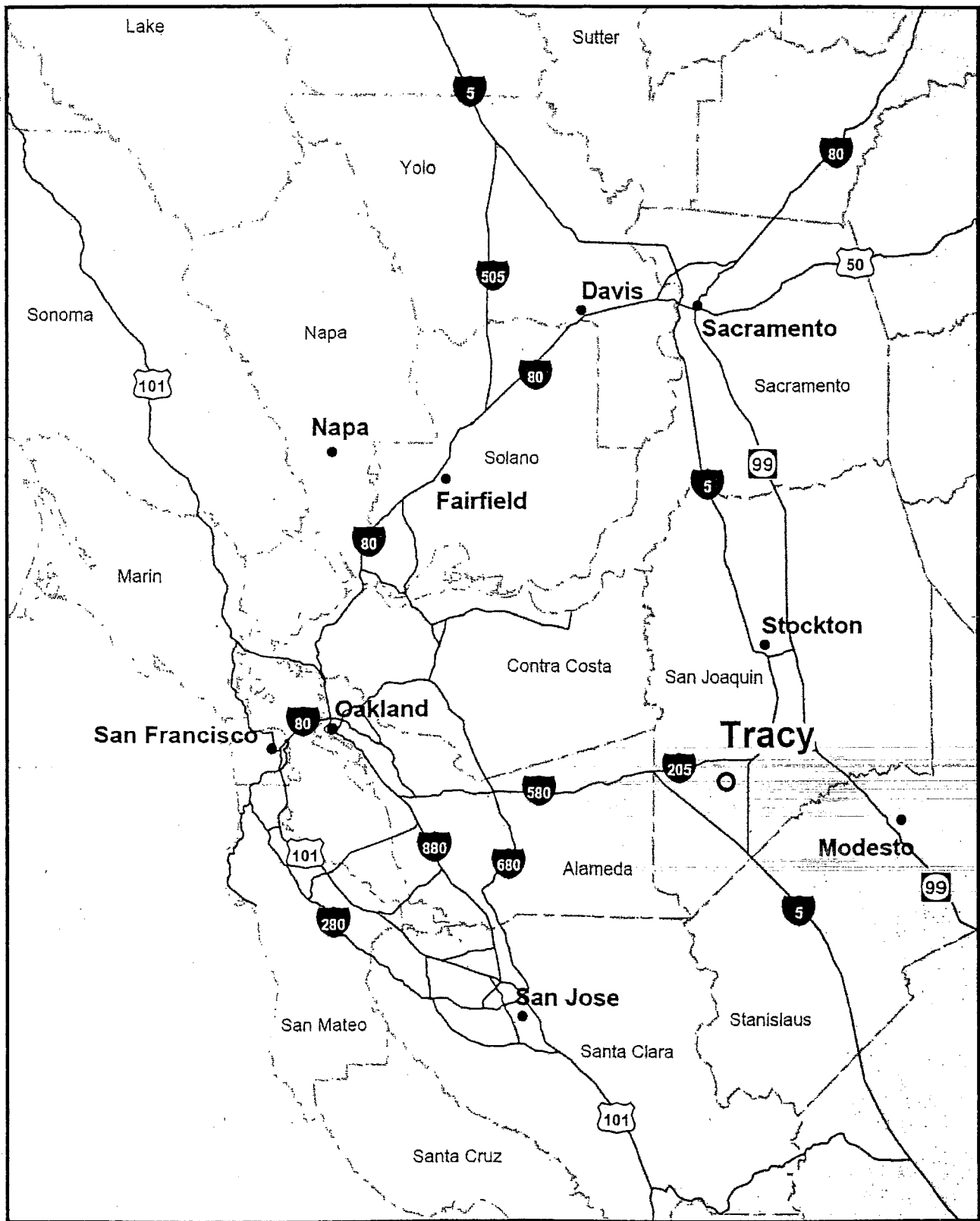
Based on the facts identified in the Initial Study, there is no substantial evidence that the project or any of its aspects, either individually or cumulatively, may cause a significant effect on the environment.

Attachments:

Attachment A: City of Tracy – Location Map

Attachment B: 2009 – 2014 Housing Element Initial Study

Attachment A



Source: Design, Community & Environment (DC&E) (2005)

City of Tracy – Regional Location

**CITY OF TRACY
CEQA INITIAL STUDY
2009 – 2014 HOUSING ELEMENT**

1. **Project Title:**
City of Tracy 2009 – 2014 Housing Element
2. **Lead Agency Name and Address:**
City of Tracy
Development and Engineering Services Department
333 Civic Center Plaza, Tracy, CA 95376
3. **Contact Person:**
Alan Bell, Senior Planner, (209) 831-6426, alan.bell@ci.tracy.ca.us
4. **Project Sponsor:**
City of Tracy Initiated Project
5. **Project Description:**
The project is the periodic revision of the City of Tracy Housing Element, covering the planning period of July 1, 2009 through June 30, 2014. California State law mandates that all cities and counties prepare a Housing Element as part of their General Plan. California Government Code Section 65588 requires periodic review and revision of the Housing Element.

The Tracy Housing Element is comprised of the following major components:

- An analysis of the City's demographic and housing characteristics;
- A review of potential market, governmental, and environmental constraints to meeting the City's identified housing needs;
- An evaluation of resources available to address housing goals; and
- Housing goals, policies and programs to address Tracy's identified housing needs.

The goals, policies and programs are contained in Section VI of the Housing Element, attached. They are organized into five categories with examples of some of each categories' program as follow:

1. *Conservation of Existing Supply of Housing* including such programs as downtown rehabilitation loan and grant programs, code enforcement, and graffiti removal.
2. *Assist in the Development of Affordable Housing* including a down payment assistance program, homebuyer financial literacy training, and supporting the Housing Choice Voucher Program.
3. *Provide Adequate Housing Sites* by annexing and rezoning specified residential sites.
4. *Remove Governmental Constraints*, including specified amendments to the zoning ordinance (related to emergency shelters, transitional housing, and supportive housing) and an amendment to the Growth Management Ordinance to create an exemption to allow the City to issue building permits to meet its Regional Housing Needs Allocation.
5. *Provide Equal Housing Opportunities*, which includes an amendment to the zoning ordinance to address requests for reasonable accommodation for people with disabilities and to support the Stockton-San Joaquin Community Housing Resource Board and provide referral services.

The Housing Element itself does not define the residential growth potential of the City; rather, it works within the framework of the General Plan and Zoning regulations, which establish the potential type and amount of future residential development permitted in Tracy.

No housing developments are proposed or approved as part of Housing Element adoption. The Housing Element, in itself, would not directly result in changes to the physical environment. Housing projects undertaken in the course of implementing the goals, policies, and programs identified in the Housing Element will be subject to project-specific environmental review in accordance with CEQA Guidelines. Compliance with the programs and policies of the Housing Element alone does not ensure project approval.

6. Project Location:

The coverage area of the Housing Element, as with all elements of the General Plan, includes the entire City and may affect some areas outside the City limits, within the Sphere of Influence that may be annexed in the future.

7. General Plan Designation and Zoning:

The Housing Element is one of the State-mandated elements of the General Plan. This project is the State-required, periodic update of the Housing Element. Residential development is permitted in all residential General Plan designations and zoning districts as well as several of the commercial General Plan designations and zoning districts.

8. Other public agencies whose approval is required:

The City of Tracy will adopt the Housing Element. State Housing Law requires the Department of Housing and Community Development (HCD) to review local housing elements for compliance with State law and to report its findings to the local government. The Draft Housing Element received favorable review from HCD. The adopted Housing Element will be submitted to HCD for their final review and comment.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

- | | | |
|---|--|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture/ Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology/ Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards/ Hazardous Materials | <input type="checkbox"/> Hydrology/ Water Quality |
| <input type="checkbox"/> Land Use/ Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population / Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation / Traffic | <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Mandatory Findings of Significance |

Any future residential project would be consistent with the development density established in the City of Tracy General Plan. As allowed by CEQA Guidelines Section 15152, this Initial Study/Negative Declaration tiers off the General Plan Supplemental Environmental Impact Report (EIR) (State Clearinghouse Number 2008092006), certified by the Tracy City Council on February 1, 2011, and the Tracy General Plan EIR (State Clearinghouse Number 1992122069) certified by the Tracy City Council on July 20, 2006, copies of which are available at the City of Tracy Development and Engineering Services Department, 333 Civic Center Plaza, Tracy, CA 95376 . The entire General Plan EIR is incorporated herein by reference.

The Initial Study has not identified any significant, adverse environmental impacts that may occur because of the project. There are no impacts specific to the project that will increase the severity of impacts or create new impacts that were not adequately described in a previously certified environmental document.

DETERMINATION

On the basis of this initial evaluation:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

☒

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐

I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

☐

I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☐

I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

☐

Alan Bell, Senior Planner



Date

Environmental Checklist

The potential environmental effects of adoption of the Housing Element are evaluated below, in the Environmental Checklist. The Environmental Checklist includes a list of environmental considerations against which the project is evaluated. For each of these considerations, the City determines whether adoption of the Housing Element would involve (1) No Impact, (2) a Less Than Significant Impact, (3) a Less Than Significant Impact with Mitigation Incorporated, or (4) a Potentially Significant Impact.

"No Impact" means that it is anticipated that the project will not affect the physical environment on and around the project site. It, therefore, does not warrant mitigation measures.

"Less than Significant Impact" means the project is anticipated to affect the physical environment on or around the project site, however, to a less than significant degree, and therefore not warranting mitigation measures.

"Less than Significant with Mitigation Incorporated" applies to impacts where the incorporation of mitigation measures into a project has reduced an effect from "Potentially Significant" to "Less Than Significant". In such cases, and with such projects, mitigation measures will be provided including a brief explanation of how they reduce the effect to a less than significant level.

"Potentially Significant Impact" means there is substantial evidence that an effect is significant, and no mitigation is possible. In cases where a Statement of Overriding Considerations has been adopted for certain regional impacts within the Tracy General Plan EIR, a first tier EIR, a discussion will be provided regarding its purpose and applicability. The identification of one or more "Potentially Significant Impact" entries, for which a Statement of Overriding Considerations has not been adopted, will necessitate the preparation of an EIR.

**Initial Study
Checklist and Analysis**

I. AESTHETICS

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incor- porated	Less Than Significant Impact	No Impact
a.	Have a substantial adverse effect on a scenic vista?				X
b.	Substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				X
c.	Substantially degrade the existing visual character or quality of the site and its surroundings?				X
d.	Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?				X

DISCUSSION:

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not have a substantial adverse effect on a scenic vista or damage a scenic resource, degrade the existing visual character or quality of the City or its surroundings, or create substantial new light or glare. Potential aesthetic effects of new development are analyzed in Section 4.3 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

II. AGRICULTURE AND FOREST RESOURCES. In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997), prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farm land. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				X
b.	Conflict with existing zoning for agricultural use, or a Williamson Act contract?				X
c.	Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?				X
d.	Result in the loss of forest land or conversion of forest land to non-forest use?				X
e.	Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not convert prime farmland, unique farmland, or farmland of statewide importance to non-agricultural use. Additionally, the Housing Element will not conflict with the existing zoning for agricultural uses or a Williamson Act contract. Potential agricultural resources effects of new development are analyzed in Section 4.7 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

III. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations.

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Conflict with or obstruct implementation of the applicable air quality plan?				X
b.	Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				X
c.	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?				X
d.	Expose sensitive receptors to substantial pollutant concentrations?				X
e.	Create objectionable odors affecting a substantial number of people?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not conflict with implementation of an air quality plan, violate any air quality standards, result in considerable net increase of any criteria pollutant, expose sensitive receptors to substantial pollutant concentrations, or create objectionable odors affecting a substantial number of people. Potential air quality effects of new development are analyzed in Section 4.15 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

IV. BIOLOGICAL RESOURCES

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				X
b.	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				X

c.	Have a substantial adverse effect on federally protected wetlands, as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.), through direct removal, filling, hydrological interruption, or other means?				X
d.	Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X
e.	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f.	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not have a substantial adverse effect on any species identified as a candidate, sensitive, or special status species identified by the California Department of Fish and Game or U.S. Fish and Wildlife Service. The Housing Element will not have a substantial adverse effect on riparian habitat, native resident, migratory fish, wildlife species, or federally protected wetlands. The Housing Element will not conflict with any local policies or ordinance protecting biological resources or provisions of an adopted Habitat Conservation Plan. Potential biological resources effects of new development are analyzed in Section 4.6 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

V. CULTURAL RESOURCES

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Cause a substantial adverse change in the significance of a historical resource as defined in section 15064.5?				X
b.	Cause a substantial adverse change in the significance of an archaeological resource pursuant to section 15064.5?				X
c.	Directly or indirectly destroy a unique paleontological resource or site or unique geological feature?				X
d.	Disturb any human remains, including those interred outside of formal cemeteries?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not directly or indirectly destroy unique paleontological resources or disturb any human remains. Potential cultural resources effects of new development are analyzed in Section 4.5 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

VI. GEOLOGY AND SOILS

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury or death, involving:				
i.	Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.				X
ii.	Strong seismic ground shaking?				X
iii.	Seismic-related ground failure, including liquefaction?				X
iv.	Landslides?				X
b.	Result in substantial soil erosion or the loss of topsoil?				X
c.	Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?				X
d.	Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, creating substantial risks to life or property?				X
e.	Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not expose people or structures to potential substantial adverse effects, including the risk of injury or death. The Housing Element will not result in substantial soil erosion, loss of topsoil, landslide, liquefaction, or destroy unique paleontological resources. Potential geology and soils hazards of new development are analyzed in Section 4.11 of the City of Tracy General Plan

EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

VII. GREENHOUSE GAS EMISSIONS

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?				X
b.	Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not generate greenhouse gas emissions or conflict with a plan, policy or regulation adopted for the purpose of reducing emissions of greenhouse gases. Potential greenhouse gas emissions effects of new development are analyzed in Section 4.16 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

VIII. HAZARDS AND HAZARDOUS MATERIALS

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Create a significant hazard to the public or the environment through the routine transport, use or disposal of hazardous materials?				X
b.	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				X
c.	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances or waste within one-quarter mile of an existing or proposed school?				X
d.	Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				X
e.	For a project located within an airport land use plan area or, where such a plan has not been adopted, within two miles of a public airport or a public use airport, would the project result in a safety hazard for people residing or working in the project area?				X
f.	For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g.	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h.	Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not create a hazard to the public or environment from hazardous materials, emit hazardous emissions, interfere with an adopted emergency response plan, or expose people or structures to wildland fires. The Housing Element will not result in a safety hazard for people residing or working in a public or private airstrip. Potential hazards and hazardous materials effects of new development are analyzed in Section 4.13 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

IX. HYDROLOGY AND WATER QUALITY

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Violate any water quality standards or waste discharge requirements?				X
b.	Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				X
c.	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?				X
d.	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on or off-site?				X
e.	Create or contribute runoff water, which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?				X
f.	Otherwise substantially degrade water quality?				X
g.	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X
h.	Place within a 100-year flood hazard area structures that would impede or redirect flood flows?				X
i.	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of a failure of a levee or dam?				X
j.	Inundation by seiche, tsunami or mudflow?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not violate any water quality standards, substantially deplete groundwater supplies, alter any existing drainage pattern, create or contribute runoff water, or degrade water quality. The Housing Element will not place housing within a 100-year flood hazard area or expose people or structures to significant risk of injury or death involving flooding. Potential hydrology and

water quality effects of new development are analyzed in Section 4.12 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

X. LAND USE AND PLANNING

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Physically divide an established community				X
b.	Conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project (including, but not limited to, the general plan, specific plan, local coastal program or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X
c.	Conflict with any applicable habitat conservation plan or natural community conservation plan?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not divide an established community or conflict with any applicable habitat conservation plan. The Housing Element is consistent with the land use designations and policies in the Tracy General Plan Land Use Element and the zoning designations in the Tracy Municipal Code. Potential land use effects of new development are analyzed in Section 4.1 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

XI. MINERAL RESOURCES

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b.	Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not result in the loss of mineral resources. Potential mineral resources effects of new development are analyzed in Section 4.8 of the City of Tracy General Plan EIR. Any

residential or other development will require environmental review in accordance with CEQA Guidelines.

XII. NOISE

	Would the project result in:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance or of applicable standards of other agencies?				X
b.	Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?				X
c.	A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				X
d.	A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				X
e.	For a project located within an airport land use plan area, or where such a plan has not been adopted, within two miles of a public airport or a public use airport, would the project expose people residing or working in the project area to excessive noise levels?				X
f.	For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not expose the public to noise levels in excess of standards established in the City's Noise Ordinance or create excessive noise levels. Potential noise effects of new development are analyzed in Section 4.14 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

XIII. POPULATION AND HOUSING.

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Induce substantial population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure)?				X
b.	Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c.	Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not induce substantial population growth or displace existing housing or people. As required by State Housing Law, the Housing Element is designed to address the housing needs projected for the City of Tracy for the 2009 - 2014 planning period. Potential population and housing effects of new development are analyzed in Section 4.2 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

XIV. PUBLIC SERVICES – Would the project result in substantial adverse physical impacts associated with the provisions of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services:

		Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Fire protection?				X
b.	Police protection?				X
c.	Schools?				X
d.	Parks?				X
e.	Other public facilities?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not result in adverse physical impacts associated with the provision of new or physically altered government facilities. Potential public services effects of new development

are analyzed in Section 4.9 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

XV. RECREATION

		Potentially Significant Impact	Less than Significant with Mitigation Incor- porated	Less Than Significant Impact	No Impact
a.	Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				X
b.	Does the project include recreational facilities, or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not increase the use of existing park facilities or require the construction or expansion of new recreational facilities. Potential recreation effects of new development are analyzed in Section 4.9 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

XVI. TRANSPORTATION/TRAFFIC

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation, including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?				X
b.	Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?				X
c.	Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X
d.	Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
e.	Result in inadequate emergency access?				X
f.	Conflict with adopted policies, plans or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not result in substantial adverse impacts to transportation or traffic. Potential transportation/traffic effects of new development are analyzed in Section 4.4 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

XVII. UTILITIES AND SERVICE SYSTEMS

	Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				X
b.	Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
c.	Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
d.	Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				X
e.	Result in a determination by the wastewater treatment provider that serves or may serve the project that it has adequate capacity to serve the project's projected demand, in addition to the provider's existing commitments?				X
f.	Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				X
g.	Comply with federal, state and local statutes and regulations related to solid waste?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not exceed wastewater treatment requirements, construct new storm water drainage facilities or produce solid waste. Potential utilities and service systems effects of new development are analyzed in Section 4.10 of the City of Tracy General Plan EIR. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

	Will the proposal have the potential to:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a.	Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of rare or endangered plants or animals, or eliminate important examples of the major periods of California history or prehistory?				X
b.	Does the project have impacts, which are individually limited, but cumulatively considerable? "Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effect of other current projects, and the effects of probably future projects.				X
c.	Does the project have environmental effect that will cause substantial adverse effects on human beings, either directly or indirectly?				X

DISCUSSION

No development proposal is associated with adoption of the Housing Element. Therefore, adoption of the Housing Element will not degrade the quality of the environment, reduce the habitat or the population of fish and wildlife species, eliminate a plant or animal community, or eliminate important examples or California history or prehistory. The Housing Element will not have any impacts that are individually limited but cumulatively considerable or cause substantial adverse effects on human beings, either directly or indirectly. Any residential or other development will require environmental review in accordance with CEQA Guidelines.

STATE OF CALIFORNIA – CALIFORNIA NATURAL RESOURCES AGENCY

EDMUND G. BROWN JR., GOVERNOR

CENTRAL VALLEY FLOOD PROTECTION BOARD

3310 El Camino Ave., Rm. 151
SACRAMENTO, CA 95821
(916) 574-0609 FAX: (916) 574-0682
PERMITS: (916) 574-2380 FAX: (916) 574-0682

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FEB 17 2012



February 16, 2012

CITY OF TRACY

Mr. Alan Bell
City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Subject: 2009-2014 General Plan Housing Element SCH Number: 2012012056 Notice of Completion of a Negative Declaration

Dear Mr. Bell:

Staff for the Central Valley Flood Protection Board has reviewed the subject document and provides the following comments:

The proposed project may be located within the jurisdiction of the Central Valley Flood Protection Board. The Board is required to enforce standards for the construction, maintenance, and protection of adopted flood control plans that will protect public lands from floods. The jurisdiction of the Board includes the Central Valley, including all tributaries and distributaries of the Sacramento River and the San Joaquin River, and designated floodways (Title 23 California Code of Regulations (CCR), Section 2).

A Board permit is required prior to starting the work within the Board's jurisdiction for the following:

- The placement, construction, reconstruction, removal, or abandonment of any landscaping, culvert, bridge, conduit, fence, projection, fill, embankment, building, structure, obstruction, encroachment, excavation, the planting, or removal of vegetation, and any repair or maintenance that involves cutting into the levee (CCR Section 6);
- Existing structures that predate permitting or where it is necessary to establish the conditions normally imposed by permitting. The circumstances include those where responsibility for the encroachment has not been clearly established or ownership and use have been revised (CCR Section 6);
- Vegetation plantings that will require the submission of detailed design drawings; identification of vegetation type; plant and tree names (i.e. common name and scientific name); total number of each type of plant and tree; planting spacing and irrigation method that will be utilized within the project area; a complete vegetative management plan for maintenance to prevent the interference with flood control, levee maintenance, inspection and flood fight procedures (Title 23, California Code of Regulations CCR Section 131).

February 16, 2012
Mr. Alan Bell
Page 2 of 2

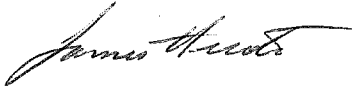
Vegetation requirements in accordance with Title 23, Section 131(c) states, "Vegetation must not interfere with the integrity of the adopted plan of flood control, or interfere with maintenance, inspection, and flood fight procedures."

The accumulation and establishment of woody vegetation that is not managed has a negative impact on channel capacity and increases the potential for levee over-topping and flooding. When a channel develops vegetation that then becomes habitat for wildlife, maintenance to initial baseline conditions becomes more difficult as the removal of vegetative growth is subject to federal and state agency requirements for on-site mitigation within the floodway.

The permit application and Title 23 CCR can be found on the Central Valley Flood Protection Board's website at <http://www.cvfpb.ca.gov/>. Contact your local, federal and state agencies, as other permits may apply.

Should you have any further questions, please contact me by phone at (916) 574-0651, or via email at jherota@water.ca.gov.

Sincerely,



James Herota
Staff Environmental Scientist
Floodway Projects Improvement Branch

cc: Governor's Office of Planning and Research
State Clearinghouse
1400 Tenth Street, Room 121
Sacramento, California 95814



Matthew Rodriguez
Secretary for
Environmental Protection

California Regional Water Quality Control Board Central Valley Region

Karl E. Longley, ScD, P.E., Chair

11020 Sun Center Drive, #200, Rancho Cordova, California 95670-6114
(916) 464-3291 • FAX (916) 464-4645
<http://www.waterboards.ca.gov/centralvalley>



Edmund G. Brown Jr.
Governor

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FEB 22 2012

20 February 2012

CITY OF TRACY

Alan Bell
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

CERTIFIED MAIL
7011 2970 0003 8939 8162

COMMENTS TO DRAFT NEGATIVE DECLARATION, CITY OF TRACY 2009-2014 GENERAL PLAN HOUSING ELEMENT PROJECT, SCH NO. 2012012056, SAN JOAQUIN COUNTY

Pursuant to the State Clearinghouse's 26 January 2012 request, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) has reviewed the *Draft Negative Declaration* for the City of Tracy 2009-2014 General Plan Housing Element Project, located in San Joaquin County.

Our agency is delegated with the responsibility of protecting the quality of surface and groundwaters of the state; therefore our comments will address concerns surrounding those issues.

Construction Storm Water General Permit

Dischargers whose project disturb one or more acres of soil or where projects disturb less than one acre but are part of a larger common plan of development that in total disturbs one or more acres, are required to obtain coverage under the General Permit for Storm Water Discharges Associated with Construction Activities (Construction General Permit), Construction General Permit Order No. 2009-009-DWQ. Construction activity subject to this permit includes clearing, grading, grubbing, disturbances to the ground, such as stockpiling, or excavation, but does not include regular maintenance activities performed to restore the original line, grade, or capacity of the facility. The Construction General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP).

For more information on the Construction General Permit, visit the State Water Resources Control Board website at:
http://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml

Phase I and II Municipal Separate Storm Sewer System (MS4) Permits¹

The Phase I and II MS4 permits require the Permittees reduce pollutants and runoff flows from new development and redevelopment using Best Management Practices (BMPs) to the maximum extent practicable (MEP). MS4 Permittees have their own development standards, also known as Low Impact Development (LID)/post-construction standards that include a hydromodification component. The MS4 permits also require specific design concepts for LID/post-construction BMPs in the early stages of a project during the entitlement and CEQA process and the development plan review process.

For more information on which Phase I MS4 Permit this project applies to, visit the Central Valley Water Board website at:

http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/municipal_permits/

Industrial Storm Water General Permit

Storm water discharges associated with industrial sites must comply with the regulations contained in the Industrial Storm Water General Permit Order No. 97-03-DWQ.

For more information on the Industrial Storm Water General Permit, visit the Central Valley Water Board website at:

http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/industrial_general_permits/index.shtml.

Clean Water Act Section 404 Permit

If the project will involve the discharge of dredged or fill material in navigable waters or wetlands, a permit pursuant to Section 404 of the Clean Water Act may be needed from the United States Army Corps of Engineers (USACOE). If a Section 404 permit is required by the USACOE, the Central Valley Water Board will review the permit application to ensure that discharge will not violate water quality standards. If the project requires surface water drainage realignment, the applicant is advised to contact the Department of Fish and Game for information on Streambed Alteration Permit requirements.

If you have any questions regarding the Clean Water Act Section 404 permits, please contact the Regulatory Division of the Sacramento District of USACOE at (916) 557-5250.

Clean Water Act Section 401 Permit – Water Quality Certification

If an USACOE permit, or any other federal permit, is required for this project due to the disturbance of waters of the United States (such as streams and wetlands), then a Water Quality Certification must be obtained from the Central Valley Water Board prior to initiation of project activities. There are no waivers for 401 Water Quality Certifications.

¹ Municipal Permits = The Phase I Municipal Separate Storm Water System (MS4) Permit covers medium sized Municipalities (serving between 100,000 and 250,000 people) and large sized municipalities (serving over 250,000 people). The Phase II MS4 provides coverage for small municipalities, including non-traditional Small MS4s, which include military bases, public campuses, prisons and hospitals.

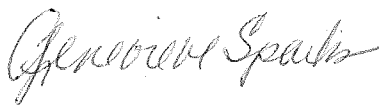
Waste Discharge Requirements

If USACOE determines that only non-jurisdictional waters of the State (i.e., "non-federal" waters of the State) are present in the proposed project area, the proposed project will require a Waste Discharge Requirement (WDR) permit to be issued by Central Valley Water Board. Under the California Porter-Cologne Water Quality Control Act, discharges to all waters of the State, including all wetlands and other waters of the State including, but not limited to, isolated wetlands, are subject to State regulation.

For more information on the Water Quality Certification and WDR processes, visit the Central Valley Water Board website at:

http://www.waterboards.ca.gov/centralvalley/water_issues/water_quality_certification/

If you have questions regarding these comments, please contact me at (916) 464-4745 or gsparks@waterboards.ca.gov.



Genevieve (Gen) Sparks
Environmental Scientist
401 Water Quality Certification Program

cc: State Clearinghouse Unit, Governor's Office of Planning and Research, Sacramento