TRACY CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, October 20, 2020, 7:00 P.M.

Tracy City Hall, 333 Civic Center Plaza, Tracy Web Site: www.cityoftracy.org

THIS REGULAR MEETING WILL BE CONDUCTED PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-29-20 WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT

RESIDENTS ARE STRONGLY ENCOURAGED TO PARTICIPATE REMOTELY AT THE OCTOBER 20, 2020 MEETING

Remote Access to City of Tracy Council Meeting:
In accordance with the guidelines provided in Executive Order N-29-20 on social distancing measures, the City of Tracy will allow for remote participation at the upcoming City Council meeting on Tuesday, October 20, 2020.

As always, the public may view the City Council meetings live on the City of Tracy's website at www.CityofTracy.org or on Channel 26. To view from the City's website, select "Watch Live Council Meetings" from the drop down menu "Select an Online Service" at the top of the City's homepage. You will be directed to the "Council Meeting Videos" page where you may select the video for the appropriate date under "Upcoming Events."

If you only wish to watch the meeting and do not wish to address the Council, the City requests that you stream the meeting through the City's website or watch on Channel 26.

Remote Public Comment:

Public comment, limited to 250 words or less, submitted via email ***will be accepted for agendized items before the start of the Council meeting at 7:00 p.m. Please send an email to*** *publiccomment@cityoftracy.org and Identify the item you wish to comment on in your email's subject line.*

During the upcoming City Council meeting public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:

- *Comments via:*
  - **Phone** by dialing (209) 831-6010, or
  - **Online by visiting** https://cityoftracyevents.webex.com and using the following **Event Number:** 126 560 7101 and **Event Password**: TracyCC
  - ***If you would like to participate in the public comment anonymously***, you may submit your comment via phone or in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.

- *Protocols for submitting comments by **phone**:*
  - *If you wish to discuss an item on the "Consent Calendar" identify the item when calling in. All requests to discuss an item on the "Consent Calendar" must be submitted before the Mayor announces that the time to submit such a request has expired.*
  - *Identify the item you wish to comment on to staff when calling in. Comments received by phone will be accepted for the "Items from the Audience/Public Comment" and "Regular Items" portions of the agenda.*
  - *Comments received by phone for the "Items from the Audience/Public Comment" portion of the agenda must be received by the time the Mayor opens that portion of the agenda for discussion.*
  - *Comments received by phone on each "Regular Item" will be accepted until the Mayor announces that public comment for that item is closed.*

- *Protocols for commenting via WebEx:*
  - *If you wish to comment on the "Consent Calendar", "Items from the Audience/Public Comment" or "Regular Agenda" portions of the agenda:*
    - *Listen for the Mayor to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
    - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*
  - *Comments for the "Consent Calendar" "Items from the Agenda/Public Comment" or "Regular Agenda" portions of the agenda will be accepted until the public comment for that item is closed.*

- *The total allotted time for public comment will be as follows:*
  - *Consent Calendar: **10 minutes***
  - *Items from the Audience: **15 minutes***
  - *Regular Items: **10 minutes***

Comments received by publiccomment@cityoftracy.org, phone call, or on Webex outside of the comment periods outlined above will not be included in the record.

Americans With Disabilities Act - The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6105) 24 hours prior to the meeting.

Addressing the Council on Items on the Agenda - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. To facilitate the orderly process of public comment and to assist the Council to conduct its business as efficiently as possible, members of the public wishing to address the Council are requested to, but not required to, hand a speaker card, which includes the speaker's name or other identifying designation and address to the City Clerk prior to the agenda item being called. Generally, once the City Council begins its consideration of an item, no more speaker cards will be accepted. An individual's failure to present a speaker card or state their name shall not preclude the individual from addressing the Council. Each citizen will be allowed a maximum of five minutes for input or testimony. In the event there are 15 or more individuals wishing to speak regarding any agenda item including the "Items from the Audience/Public Comment" portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes. When speaking under a specific agenda item,

each speaker should avoid repetition of the remarks of the prior speakers. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak. At the Presiding Officer's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

Consent Calendar - All items listed on the Consent Calendar are considered routine and/or consistent with previous City Council direction. One motion, a second, and a roll call vote may enact the items listed on the Consent Calendar. No separate discussion of Consent Calendar items shall take place unless a member of the City Council, City staff or the public request discussion on a specific item.

Addressing the Council on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. The City Council's Meeting Protocols and Rules of Procedure provide that in the interest of allowing Council to have adequate time to address the agendized items of business, "Items from the Audience/Public Comment" following the Consent Calendar will be limited to 15-minutes maximum period. "Items from the Audience/Public Comment" listed near the end of the agenda will not have a maximum time limit. A five-minute maximum time limit per speaker will apply to all individuals speaking during "Items from the Audience/Public Comment". For non-agendized items, Council Members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to Council. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

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

Full copies of the agenda are available on the City's website: *www.ci.tracy.ca.us*

CALL TO ORDER
PLEDGE OF ALLEGIANCE
INVOCATION
ROLL CALL

1. CONSENT CALENDAR

1.A. ADOPTION OF OCTOBER 6, 2020, CLOSED SESSION AND REGULAR MEETING MINUTES

1.B. ADOPT RESOLUTION ASSIGNING THE PARKS & RECREATION DIRECTOR, OR DESIGNEE, AS THE AUTHORIZED AGENT TO EXECUTE AND FILE ALL DOCUMENTS AND FUNDING AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR ALLOCATIONS OF THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM AND EXECUTION OF THE CERTIFICATIONS AND ASSURANCES

1.C. APPROVE THE FINAL SUBDIVISION MAP FOR TRACT NO. 4013, KT PROPERTY I, AND AUTHORIZE THE RECORDATION OF THE FINAL SUBDIVISION MAP IN THE OFFICE OF THE SAN JOAQUIN COUNTY RECORDER

1.D. APPROVE A ONE YEAR GENERAL SERVICES AGREEMENT WITH NUTRIEN AG SOLUTIONS, FOR CHEMICALS USED IN THE CITY OF TRACY'S INTEGRATED PEST MANAGEMENT (IPM) PROGRAM FOR A NOT TO EXCEED AMOUNT OF $195,000 ANNUALLY AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT AND ANY EXTENSIONS OR MINOR AMENDMENTS TO THE AGREEMENT

1.E. APPROVE THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF TRACY AND TRACY, POST NO. 1537, VETERANS OF FOREIGN WARS OF THE UNITED STATES, DEPARTMENT OF CALIFORNIA

1.F. APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH INDIGO | HAMMOND + PLAYLE ARCHITECTS, LLP, OF DAVIS, CALIFORNIA FOR AN UPDATE TO THE PUBLIC SAFETY MASTER PLAN (CIP 71108) FOR A NOT-TO-EXCEED AMOUNT OF $176,500

1.G. ADOPT A RESOLUTION AMENDING THE CITY'S OPERATING AND CAPITAL IMPROVEMENT PROJECTS (CIP) BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2021, AS PROPOSED

1.H. WAIVE SECOND READING AND ADOPT ORDINANCE 1297, AN ORDINANCE OF THE CITY OF TRACY AMENDING SECTIONS 3.04.010 AND 3.04.030 OF CHAPTER 3.04 OF THE TRACY MUNICIPAL CODE, "FIREWORKS", REGARDING ADMINISTRATIVE CITATIONS FOR DANGEROUS FIREWORKS ENFORCEMENT

2. ITEMS FROM THE AUDIENCE

3. REGULAR AGENDA

3.A. DISCUSS CITY'S RESPONSE TO COVID-19 (VERBAL REPORT)

3.B. PUBLIC HEARING TO CONSIDER APPROVING THE TRACY HILLS VILLAGE 7C PROJECT, WHICH INVOLVES APPROVING A GENERAL PLAN AMENDMENT, INTRODUCING AN ORDINANCE APPROVING A TRACY HILLS SPECIFIC PLAN AMENDMENT, APPROVING A VESTING TENTATIVE SUBDIVISION MAP TO INCREASE THE NUMBER OF LOTS IN VILLAGE 7C FROM 66 TO 132, AND APPROVING A DEVELOPMENT REVIEW PERMIT FOR THE ARCHITECTURE, WHICH IS PROPOSED AS ATTACHED SINGLE-FAMILY HOMES IN A DUETS DESIGN, LOCATED ON APPROXIMATELY 28 ACRES IN TRACY HILLS PHASE 1A IN THE VICINITY OF TRACY HILLS DRIVE. THE APPLICANT IS JOHN PALMER. APPLICATION NUMBERS GPA20-0002, SPA20-0003, TSM20-0001, AND D20-0023

3.C. ADOPT RESOLUTION SUPPLEMENTING RESOLUTION NO. 2016-161 (AS PREVIOUSLY SUPPLEMENTED) TO AUTHORIZE THE ISSUANCE AND SALE OF SPECIAL TAX BONDS FOR THE PURPOSE OF FINANCING AUTHORIZED FACILITIES, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS - IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)

3.D. DISPENSE WITH PUBLIC BIDDING REQUIREMENTS AND AUTHORIZE THE CITY MANAGER TO TAKE IMMEDIATE AND EMERGENCY ACTIONS PURSUANT TO THE COUNCIL'S SHELTER CRISIS DECLARATION TO EXPEDITE THE CONSTRUCTION OF TEMPORARY EMERGENCY HOUSING FOR TRACY'S UNSHELTERED ON CITY-OWNED PROPERTY AT 500 W. ARBOR ROAD INCLUDING THE PROCUREMENT AND AWARD OF CONTRACTS AND EQUIPMENT AND SUPPLIES

3.E. UPDATE REGARDING THE STATUS OF THE DESIGN AND CONSTRUCTION OF THE AQUATIC CENTER

3.F. APPOINT ONE APPLICANT TO SERVE ON THE MEASURE V RESIDENTS' OVERSIGHT COMMITTEE

4. ITEMS FROM THE AUDIENCE

5. STAFF ITEMS

6. COUNCIL ITEMS

7. ADJOURNMENT

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

October 6, 2020, 6:30 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Rickman called the meeting to order at 6:30 p.m. for the purpose of a closed session to discuss the items outlined below.

2. ROLL CALL – Roll call found Council Member Vargas, Mayor Pro Tem Young and Mayor Rickman present.

   Council Members Arriola and Ransom arrived at 6:31 p.m.

3. ITEMS FROM THE AUDIENCE – There was no public comment.

4. CLOSED SESSION

   1. Real Property Negotiations (Gov. Code § 54956.8)

      Property Location: 340 W 4th St, Tracy, CA 95376

      Negotiators for the City: Brian MacDonald, Parks & Recreation Director
      Richard Joaquin, Parks Planning & Development Manager
      Andrew Malik, Assistant City Manager
      Jenny Haruyama, City Manager
      Leticia Ramirez, City Attorney

      Negotiating Parties: Housing Authority for the County of San Joaquin

      Under Negotiation: Price and terms of payment for lease

5. RECESS TO CLOSED SESSION **-** Motion was made by Council Member Vargas and seconded by Council Member Arriola to recess the meeting to closed session at 6:33 p.m. Roll call vote found all in favor; passed and so ordered.

6. RECONVENE TO OPEN SESSION – The meeting reconvened to open session at 7:00 p.m.

7. REPORT OF FINAL ACTION – There was no report of final action.

8. ADJOURNMENT – Time: 7:00 p.m.

ACTION: Motion was made by Council Member Vargas and seconded by Council Member Ransom to adjourn. Roll call found all in favor; passed and so ordered.

The agenda was posted at City Hall on October 1, 2020. The above are action minutes.

_____
Mayor

ATTEST:

_____
City Clerk

TRACY CITY COUNCIL REGULAR MEETING MINUTES

October 6, 2020, 7:00 p.m.

City Hall, 333 Civic Center Plaza, Tracy *Web Site:* www.ci.tracy.ca.us

Due to the COVID-19 emergency, the regular meeting was conducted pursuant to the provisions of the Governor's Executive Order N-29-20, which suspends certain requirements of the Ralph M. Brown Act. Residents participated remotely via email, phone and WebEx during the meeting.

Mayor Rickman called the meeting to order at 7:00 p.m.

Mayor Rickman led the Pledge of Allegiance.

Pastor Kevin James, New Creation Bible Fellowship offered the invocation.

Roll call found Council Members Arriola, Ransom, Vargas, Mayor Pro Tem Young and Mayor Rickman present.

REGULAR MEETING – 7:00 P.M.

1. CONSENT CALENDAR – Following the removal of Consent Item 1.A, motion was made by Mayor Pro Tem Young and seconded by Council Member Vargas to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.

   1.B CERTIFY TRACT 3856 BERG ROAD PROPERTIES (NOW SANTOSHA) GRADING AND AUTHORIZE THE CITY ENGINEER TO RELEASE THE GRADING BOND IN ACCORDANCE WITH THE TERMS OF THE IMPROVEMENT AND INSPECTION AGREEMENT, THE CITY'S SUBDIVISION ORDINANCE, AND SECTION 66499.7 OF THE GOVERNMENT CODE– **Resolution 2020-169** certified Tract 3856 Berg Road properties grading.

   1.A APPROVAL OF SEPTEMBER 15, 2020 REGULAR MEETING MINUTES

   Council Member Vargas pulled the item to request to amend the minutes to reflect the portion of the letter to Council from Michael Tree, Executive Director, Tri-Valley San Joaquin Valley Regional Rail Authority that was read out at the September 15, 2020, Council meeting. Council Member Ransom seconded the request.

ACTION: Motion was made by Council Member Vargas and seconded by Council Member Ransom to adopt the September 15, 2020 regular meeting minutes with the amendment to include the portion of the letter to Council from Michael Tree, Executive Director, Tri-Valley San Joaquin Valley Regional Rail Authority that was read out at the Council meeting.

2. ITEMS FROM THE AUDIENCE – Joe Hernandez shared his concerns regarding the appointment process of the Executive Director of the South County Fire Authority JPA.

Robert Tanner shared his concerns regarding Measure Y, and Council not finishing Legacy Fields.

Mr. English shared his concerns regarding the removal of Legacy Fields from the priority list by Council Members and the conditions of the fields.

Council Member Arriola objected to some of the commentary made by Mr. English.

Tim Silva shared his concerns about Measure Y and referred to a presentation by staff who stated the City of Tracy has no authority over Valley Link even if the measure passes.

Council Member Vargas requested clarification from staff to make sure there was no misinformation with what was presented to the Transportation Commission.

Marsha McCray spoke in support of the Aquatic Center and expressed concern that the City has continued to put money into Legacy Fields without the same level of public, staff and Council scrutiny that should be given to any project of that scope, and requested that the City Manager put the Aquatics Park back on the agenda this month.

Alice English shared her concerns regarding Council Members advocating for Measure Y, and misleading the voters.

Council Member Vargas disagreed with comments made by Alice English.

Council Member Arriola objected to legal conclusions stated by Ms. English.

Mayor Pro Tem Young clarified each individual within the City can advocate for the measure.

Neil, Patriot Coalition of American Citizens, spoke about an investigation opened in 2019 by Dave Helm with the FPPC related to Mayor Pro Tem Young attempting to obtain a permit during a 2018 fireworks season on behalf of three non-profit organizations.

Mayor Pro Tem Young responded to Neil's comments regarding the FPPC investigation.

Alex Monceaux spoke about the cannabis application process and asked how the City will vet that process, and if the City will interview locals or applicants that will come in under local process.

Mr. Cody shared reasons why the Patriot Coalition of American Citizens is supporting Mayor Robert Rickman for Board of Supervisor.

Mr. Evans spoke about the FPPC case against Mayor Pro Tem Young and Council breaking Code of Conduct and asked how to get a Code of Conduct investigation started, and would like a preliminary investigation opened.

Michel Bazinet spoke about the swim center project and requested proceeding with approving the projects detail design.

3. REGULAR AGENDA

3.A DISCUSS CITY'S RESPONSE TO COVID-19 (VERBAL REPORT)

Jenny Haruyama, City Manager provided an update and presentation on the City's response to COVID-19.

Neil Prescott asked what do cases mean and would like to have it broken down, just because someone tested positive how do we know that is a threat.

City Council questions and comments followed.

City Council accepted the update.

3.B APPROVE PARTIAL VACATION OF A PUBLIC UTILITY EASEMENT FOR GOLDEN LEAF WAY WEST OF ADOBE LANE, AND AUTHORIZE THE CITY CLERK TO RECORD THE RESOLUTION WITH THE SAN JOAQUIN COUNTY RECORDER

Robert Armijo, City Engineer provided the staff report.

Mayor Rickman opened the public hearing.

Mayor Rickman closed the public hearing.

There was no public comment.

There was no City Council comment.

ACTION: Motion was made by Mayor Pro Tem Young and seconded by Council Member Ransom to adopt **Resolution 2020-170** approving the partial vacation of public utility easement on Golden Leaf Way west of Adobe Lane and authorizing the City Clerk to file the Resolution with the San Joaquin County Recorder. Roll call vote found all in favor; passed and so ordered.

3.C CONDUCT A PUBLIC HEARING TO CONSIDER ADOPTION OF A RECYCLED WATER RATE FOR USE OF RECYCLED WATER AT CITY FACILITIES

Kul Sharma, Utilities Director, provided the staff report.

Mayor Rickman opened the public hearing.

Mayor Rickman closed the public hearing.

No one from the public wished to speak.

Council questions and comments followed.

ACTION: Motion was made by Council Member Vargas and seconded by Mayor Pro Tem Young to adopt **Resolution 2020-171** approving a recycled water rate for use of recycled water at city facilities. Roll call vote found all in favor; passed and so ordered.

3.D RECEIVE PRESENTATION ON THE SAN JOAQUIN COUNTY COMMUNITY RESPONSE TO HOMELESSNESS – 2020 SAN JOAQUIN STRATEGIC PLAN AND ADOPT A RESOLUTION SUPPORTING THE PLAN

Midori Lichtwardt, Assistant City Manager, provided the staff report.

Jon Mendelson, San Joaquin Continuum of Care presented the community response to homelessness on behalf of the Continuum of Care.

Neil Prescott asked what it means to commit to the strategic plan, who would be in charge of how the plan would be implemented, where are the finances coming from, and how would landlords be part of this plan.

Mr. Mendelson responded to public comments.

Tim Silva, Patriot Coalition of American Citizens spoke about displaced residents stating for people who want and need help this is a step in the right direction by looking at it as a regional problem.

Bubba Paris, Executive Director of Tracy Community Connections Center spoke in strong support of adoption of the County plan adding to address the homeless issue countywide and statewide is to get as many organizations together to fight the problem.

Jennifer Rowell advocated adopting the County's plan as it aligns with the City's plan and is the next logical step to further efforts and move as a united county towards providing services needed to address this problem.

Council questions and comments followed.

ACTION: Motion was made by Council Member Arriola and seconded by Mayor Pro Tem Young to adopt Resolution **2020-172** supporting the San Joaquin County Community Response to Homelessness – 2020 San Joaquin Strategic Plan. Roll call vote found all in favor; passed and so ordered.

3.E DISCUSS AND APPROVE A RESPONSE LETTER TO THE SAN JOAQUIN COUNTY CIVIL GRAND JURY'S REPORT "HOMELESSNESS IN SAN JOAQUIN COUNTY" 2019-2020 CASE NO.0119 AND AUTHORIZE THE MAYOR TO EXECUTE THE LETTER

Midori Lichtwardt, Assistant City Manager, provided the staff report.

Peter Claffey spoke about the new shelter at the old Animal Shelter on Arbor and asked who will be constructing the shelter and who will run shelter.

Yubo Cody asked if the DVI facility, which is slated to close, could be converted into care or living facility for people who are displaced and spoke about reopening mental institutions that were closed in 1960 and 1970 by the Federal Government could be part of the solution.

Jennifer Rowell spoke about revisiting all the cities chipping in for the homeless coordinator position if we are talking about a regional approach.

City Council questions and comments followed.

Recommendation 3.1 By December 30, 2020, the Cities of Stockton, Tracy, Manteca, Lathrop, Ripon, and Escalon post plain language information on their website that outlines the actions each city has taken to address homelessness. It was Council consensus to agree to this recommendation.

This recommendation has been implemented. The City of Tracy established a dedicated webpage to Homelessness in April 2019, shortly after the Tracy City Council established the Council Ad Hoc Committee to guide the creation of a Tracy Homelessness Strategic Plan. The webpage clearly outlines specific Council and staff activities related to homeless and provides hyperlinks to City Council meetings, staff reports, other resources such as County Behavioral Health and Tracy Community Connections, and serves as a one-stop-shop for linking interested visitors to additional homelessness resources including updated information from the Center for Disease Control's guidance with respect to homeless individuals and service providers during the COVID-19 pandemic.

It was also Council's consensus to be more transparent to make it in more plain language. Midori Lichtwardt, Assistant City Manager stated staff can add a tab to the main webpage that links to homeless to make it easier to find the page.

Recommendation 3.2 By December 30, 2020, the Cities of Tracy, Manteca, Lathrop, Ripon, and Escalon adopt the San Joaquin Continuum of Care as the primary organization through which the County and cities work together to develop solutions to homelessness.

It was Council's consensus to agree with the response – staff will return to Council with a resolution adopting the San Joaquin Continuum of Care as the primary organization through which the City of Tracy will work with the County and other cities to develop solutions to homelessness.

Recommendation 3.3 By December 30, 2020, the Cities of Tracy, Manteca, Lathrop, Ripon, and Escalon in open session officially acknowledge and support the Program Administrator for Homeless Initiatives position as the homeless coordinator for San Joaquin County.

It was Council's consensus to require further analysis and seek clarification from the Grand Jury to better understand its definition of "support" and what action(s) would demonstrate "support" of the San Joaquin County Homeless Coordinator position. Staff will endeavor to obtain the information and return to Council with a recommendation by December 30, 2020.

Finding 3.1 - Although many residents are interested in how homelessness is being managed, only the City of Lodi has published accomplishments in plain language on its website. This lack of readily available information makes it difficult for residents to understand what is being done to address homelessness.

It was Council consensus to partially disagree on Finding 3.1.

ACTION: Motion was made by Council Member Arriola and seconded by Council Member Vargas to adopt **Resolution 2020-173** approving response letter to the San Joaquin County Grand Jury Final Report 2019-2020 (Case No. 0119) and authorizing the Mayor to execute the letter. Roll call vote found all in favor; passed and so ordered.

3.F INTRODUCE AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 3.04 "FIREWORKS" OF THE TRACY MUNICIPAL CODE REGARDING ADMINISTRATIVE CITATIONS FOR DANGEROUS FIREWORKS ENFORCEMENT

Alex Neicu, Police Captain provided the staff report.

Robert Tanner stated the City should make all fireworks illegal and just have fireworks from the City show only.

Mary Mitracos stated it was time for the City to stop selling safe and sane fireworks, spoke about nine families losing their homes due to fireworks, and shared her concerns regarding selling safe and sane fireworks.

Mr. Cody spoke about Tracy Police Department needing to step up and do a better job enforcing the law, BLM using fireworks to push their cause, fireworks becoming year round, and there is a better way to do non-profit fundraising.

Council questions and comments followed.

Mayor Rickman requested the City Clerk read the title of the proposed ordinance.

Adrianne Richardson, City Clerk read the title of the proposed ordinance.

ACTION: Motion was made by Council Member Vargas and seconded by Council Member Arriola to waive the reading of the full text and introduce **Ordinance 1297**, an ordinance of the City of Tracy approving an amendment of various sections of Chapter 3.04 "Fireworks" of the City of Tracy Municipal Code regarding administrative citations for dangerous fireworks enforcement. Roll call vote found all in favor, passed and so ordered.

4. ITEMS FROM THE AUDIENCE – Robert Tanner stated the COVID-19 response presentation is hard to read on television and suggested adding it to the reports or on the website.

Alice English shared her concerns about Measure Y, and suggested getting amenities first. Ms. English asked why there was a rush to get the measure on the ballot.

Yubo Cody spoke about Council Members Ransom and Arriola holding an informative session about Measure Y, stated it was one sided and asked if it was a conflict of interest to have two Council Members on a zoom meeting.

Leticia Ramirez, City Attorney responded to Mr. Cody's question.

Council Member Ransom responded to Mr. Cody's comments regarding who participated in the informative session.

5. STAFF ITEMS – Jenny Haruyama, City Manager provided an update on the following actions taken by the City Manager during the COVID emergency:

- Approved a Grant of Easement and Exclusive Access Agreement Between the City and FedEx Ground Package System, Inc.
- Approved Professional Services Agreement with FCGA Architecture for Transit Center Renovation (CIP 77584)
- Accepted the Construction of William Larsen Park Renovation Project, CIP 78157
- Approved a request purchase and appropriation from the COPS/Supplemental Law Enforcement Services Fund (SLESF) for the purchase of protective ballistic helmets for the Tracy Police Department SWAT team
- Approved grant funding for the City of Tracy Animal Services to enhance technology at the Animal Shelter

6. COUNCIL ITEMS – Council Member Vargas requested to agendize an item for a future agenda to discuss banning the sale of fireworks. Council Member Arriola seconded the request. Council Member Vargas requested staff to check in with the Transportation Commissioners regarding TOD, the station, the disconnect and misunderstanding about how independent projects work with each other in synergy to help them understand how it works – multiple agencies sometimes work together even though one does not have jurisdiction over the other. Mayor Pro Tem Young supported the request.

Mayor Pro Tem Young asked if it would fall under her previous request, which she asked for a long time ago to look at each one of the commissions, their functions, relevance, annual reports. Council Member Vargas supported the request.

Council Member Vargas stated she would not be at the October 20, 2020 Council meeting as she will be out of town, but will be joining by phone.

Council Member Arriola requested the Public Labor Agreement for public projects in the City of Tracy be agendized. Council Member Ransom seconded the request.

Council Member Arriola requested bringing back an item regarding phasing options for Legacy Fields specifically the completion of phase 1 in its entirety be reviewed and phase options so we can consider that in the consideration of our entire budget particularly Measure V funds. Council Member Vargas seconded the request.

Council Member Ransom asked to also include the prior budgeting because there is perception that Legacy Fields was unprioritized, so bring everything that we have already allocated towards that. Council Member Arriola accepted the friendly amendment and Council Member Vargas seconded the friendly amendment.

Mayor Pro Tem Young asked for clarification between what she had previously requested, as this request seems like a layer of the same thing and we are not duplicating things.

Leticia Ramirez, City Attorney stated it sounds like the same thing, but if Council thinks they are different, then it should be clarified.

Mayor Pro Tem Young stated they are very similar but want to make sure we are not duplicating efforts.

Council Member Arriola clarified his requests: 1. Related to planning of completion of phase 1 and its entirety of Legacy Fields, and 2. Related to how the remainder of phase 1 can be phased for purposes of budgetary allocations.

Mayor Pro Tem Young suggested phasing her request in that because the first part is what she had asked and the second part is what Council Member Vargas asked.

Mayor Pro Tem Young asked when the third community discussion on the racial inequities will be, and what is the topic of the discussion.

Jenny Haruyama, City Manager responded Council should be getting information within the next week.

Police Chief Millington responded the tentative date for the community discussion is Thursday, October 22, 2020, at 6:00 p.m., and the topic is – Equity, Policing and Youth.

Mayor Pro Tem Young spoke about communication received regarding the cannabis application extension the day after the deadline closed, and spoke about the opportunity for those who have already submitted their application to pull it back and make adjustments by the new deadline.

Mayor Pro Tem Young requested to bring back the Aquatic Center item as soon as possible stating it is imperative that the current Council continues to make the final decisions so that it can move forward as the new Council comes on. Mayor Pro Tem Young requested a special hearing for October 20 to be held as early as staff deems appropriate to focus on that item to approve the Aquatic Center plan, whether phasing and review and approve a revised Design and Funding Agreement, which has already been approved by the Council as an exhibit to the Ellis Specific Plan Development Agreement Amendment but needs updating to remove some of the construction things that our counselor has issues with at our latest council actions.

Council Member Ransom stated she does not know all the specifics but did express she would like to do that and asked if it was possible to do that.

Ms. Haruyama responded what will be brought back to Council is what is recommended for direction by the Council. There are still discussions between the parties on the agreements and when an agreement is ready to be brought forward a meeting will be scheduled accordingly. Ms. Haruyama believed there are some discussions we had around some gaps and are endeavoring to have that conversation shortly.

Council Member Ransom asked if the City Manager was saying that October 20 is not a date that we can set in stone.

Ms. Haruyama responded no, and she is still working on the agenda. If two Council Members want to direct the City Manager to bring an agreement back, then that can be done if the agreement is done and both parties have narrowed the discussion on the deal points and we are not in that position right now.

Mayor Pro Tem Young stated the item was expected back in mid-September, and had asked for a month extension for that. Mayor Pro Tem Young hoped both parties would be willing to move this along expeditiously and hoped for support that to be brought back which could hasten the conversation to do what needs to be done.

Ms. Ramirez clarified the request: Council approved a final conceptual plan on August 18 and directed the developer to come back with a phasing plan. The City is yet to receive the phasing plan. We are still working through the agreement. The developer did provide staff with a draft agreement that amended the previous version that includes a number of policy issues that need Council direction in order to finalize. Staff is working as fast as they can, but it is not just necessarily up to staff, as we are working with a developer, partner. Ms. Ramirez stated she will endeavor to work as hard as she can on the agreement part to bring it forward on October 20 if that is the desire of two Council members to bring it back on that date.

Mayor Pro Tem Young responded that is why she asked for a 4:00 p.m. pre-meeting, and take actions on the regular agenda so the decisions made in the special meeting are agreed to adding final decisions need to be made during this Council.

Ms. Ramirez responded two members of the Council can request a matter to be agendized, and it takes a majority of the Council to call a special meeting if that is the desire of Council.

Council Member Ransom stated she supported bringing the item back but was concerned that it probably is not going to happen just because of the delays regardless of how they are happening. Council Member Ransom did not want to look like Council is blaming staff, it does not matter whose fault it is, need to put a fire under themselves and present whatever it is to the community in order to move forward.

Mayor Rickman asked if the City Manager can alert the Council if it is going to be possible.

Ms. Haruyama responded she is not part of agreement negotiations and is working cooperatively with the attorney and can give Council progress check-ins. Ms. Haruyama stated her concern is that she cannot bring forward something that is not ready to be heard by the public if there are still outstanding legal issues that need to be refined and get clarity on for both parties.

Ms. Ramirez stated she is happy to send forward all her comments about the pending agreement to Council in a memo.

Mayor Pro Tem Young believed that we have the possibility and staff is asking if Council is giving staff direction to do this, to have these conversations now. If by some chance it

is not finalized between both sides it is a different story, staff can do all due diligence to make it happen.

Council Member Vargas responded that is what our City Attorney and City Manager are telling Council right now. It is not ready and they are doing everything possible. Council Member Vargas felt staff is being pushed because Council wants it but there are legal issues pending, and felt it will be unwise to bring something that is not finished or vetted with staff and the developer. Council Member Vargas added staff gets the gesture that Council wants this before the end of the year, and suggested giving staff a little more time, maybe do something by November.

Mayor Rickman stated that if it is possible bring it back.

Council Member Arriola asked if it is not ready to discuss publically because of legal issues, can a closed session meeting be held to discuss the legal issues.

Ms. Ramirez responded she would schedule a closed session if there is a basis to schedule a closed session. Under the Brown Act there is limited reasons for us to be able to meet.

Mayor Pro Tem Young stated she agreed.

Council Member Ransom asked if the public are concerned about how the Joint Powers Authority was put together with Council and Rural and our role on hiring practice, do we need to hold a joint closed session and how is that handled. There was a public comment tonight and there are comments forwarded to the Chief, there is something brewing that we should get ahead of it and discuss about how to handle that.

Ms. Ramirez suggested discussing at the Joint Powers Authority board meeting and if there is an interest to have a joint meeting with City Council, that is something staff can facilitate.

Mayor Rickman reminded everyone that the month of October is Breast Cancer Month, and thanked everyone who supports awareness and survivors for their strength and let everyone know to keep up the fight and we will find a cure one day.

Council Member Vargas wished her son Luciano a Happy 10th Birthday and her daughter who is turning 24.

7. ADJOURNMENT – Time: 11:06 p.m.

ACTION: Motion was made by Council Member Vargas and seconded by Council Member Ransom to adjourn. Roll call vote found all in favor; passed and so ordered.

The above agenda was posted at the Tracy City Hall on October 1, 2020. The above are action minutes. A recording is available at the office of the City Clerk.

_____
Mayor

ATTEST:

_____
City Clerk

October 20, 2020

AGENDA ITEM 1.B

REQUEST

ADOPT RESOLUTION ASSIGNING THE PARKS & RECREATION DIRECTOR, OR DESIGNEE, AS THE AUTHORIZED AGENT TO EXECUTE AND FILE ALL DOCUMENTS AND FUNDING AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR ALLOCATIONS OF THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM AND EXECUTION OF THE CERTIFICATIONS AND ASSURANCES

EXECUTIVE SUMMARY

Senate Bill 1, also known as the Road Repair and Accountability Act of 2017, augmented the existing State Transit Assistance program with a State of Good Repair (SGR) program funded from a portion of a new Transportation Improvement Fee. The goal of the SGR Program is to provide funding for projects to rehabilitate and modernize local transit systems to ensure they are maintained in a state of good repair.

In order to receive funds through this program, the City must adopt a resolution, assign an authorized agent, and approve the Certifications and Assurances for the program. The Certifications and Assurances document contains general conditions of the SGR program as well as reporting, cost principles, and record retention requirements that are standard for State-funded projects.

DISCUSSION

Senate Bill 1, also known as the Road Repair and Accountability Act of 2017, augmented the existing State Transit Assistance program with a State of Good Repair (SGR) program funded from a portion of a new Transportation Improvement Fee on vehicle registrations effective January 1, 2018. SGR funds are distributed by formula on a population basis in the region to the San Joaquin Council of Governments (SJCOG), and on a revenue basis directly to eligible transit operators. The goal of the SGR Program is to provide funding for projects to rehabilitate and modernize local transit systems to ensure they are maintained in a state of good repair.

In order to receive SGR funding, transit operators must comply with certain reporting requirements as identified in the funding guidelines prepared by California Department of Transportation (CalTrans) in December 2017. Specifically, the City must adopt a resolution, assign an authorized agent, and approve the Certifications and Assurances. The Certifications and Assurances document contains general conditions of the SGR program as well as reporting, cost principles, and record retention requirements that are standard for State-funded projects. The authorized agent form would assign the Parks & Recreation Director, or his designee, as the signatory on any documents associated with obtaining and managing SGR funds.

Staff will use the funds allocated through this program in accordance with the eligible projects as outlined by Caltrans. This may include but is not limited to the replacement or rehabilitation of buses, passenger stations, security equipment, and maintenance facilities and equipment.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's Strategic Plans.

FISCAL IMPACT

A funds received through this program will be used for capital projects within the Transit Fund. There is no matching requirement and there is no impact to the General Fund.

RECOMMENDATION

Staff recommends that the City Council adopt a resolution assigning the Parks & Recreation Director, or designee, as the authorized agent to execute and file all documents and funding agreements with the California Department of Transportation (Caltrans) for allocation of the California State of Good Repair program and execution of the Certifications and Assurances.

Prepared by: Ed Lovell, Management Analyst II

Reviewed by: Brian MacDonald, Parks & Recreation Director
Karin Schnaider, Finance Director
Midori Lichtwardt, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – State of Good Repair Certifications and Assurances and Authorized Agent Form

ATTACHMENT A

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
Division of Rail and Mass Transportation
State Transit Assistance State of Good Repair Program
Authorized Agent Form

Authorized Agent

The following individual(s) are hereby authorized to execute for and on behalf of the named Regional Entity/Transit Operator, and to take any actions necessary for the purpose of obtaining State Transit Assistance State of Good Repair funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. This form is valid at the beginning of Fiscal Year 2017-2018 until the end of the State of Good Repair Program. If there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself.

__Brian MacDonald, Parks & Recreation Director_____ *OR*
(Name and Title of Authorized Agent)

_____ *OR*
(Name and Title of Authorized Agent)

_____ .
(Name and Title of Authorized Agent)

AS THE _____MAYOR_____
(Chief Executive Officer / Director / President / Secretary)

OF THE _____CITY OF TRACY_____
(Name of County/City Organization)

__Robert Rickman_____ ___Mayor_____
(Print Name) *(Title)*

_____
(Signature)

Approved this __20th_____*day of* __October_____, *20*_20__

State Transit Assistance State of Good Repair Program

Recipient Certifications and Assurances

Recipient: ***City of Tracy*** .

Effective Date: ***October 10, 2020*** .

In order to receive State of Good Repair Program (SGR) funds from the California Department of Transportation (Department), recipients must agree to following terms and conditions:

A. General

(1) The recipient agrees to abide by the State of Good Repair Guidelines as may be updated from time to time.

(2) The potential recipient must submit to the Department a State of Good Repair Program Project List annually, listing all projects proposed to be funded by the SGR program. The project list should include the estimated SGR share assigned to each project along with the total estimated cost of each project..

(3) The recipient must submit a signed Authorized Agent form designating the representative who can submit documents on behalf of the recipient and a copy of the board resolution authorizing the agent.

B. Project Administration

(1) The recipient certifies that required environmental documentation will be completed prior to expending SGR funds. The recipient assures that each project approved for SGR funding comply with Public Resources Code § 21100 and § 21150.

(2) The recipient certifies that SGR funds will be used for transit purposes and SGR funded projects will be completed and remain in operation for the estimated useful lives of the assets or improvements.

(3) The recipient certifies that it has the legal, financial, and technical capacity to deliver the projects, including the safety and security aspects of each project.

(4) The recipient certifies that there is no pending litigation, dispute, or negative audit findings related to any SGR project at the time an SGR project is submitted in the annual list.

(5) Recipient agrees to notify the Department immediately if litigation is filed or disputes arise after submission of the annual project list and to notify the Department of any negative audit findings related to any project using SGR funds.

(6) The recipient must maintain satisfactory continuing control over the use of project equipment and/or facilities and will adequately maintain project equipment and/or facilities for the estimated useful life of each project.

(7) Any and all interest the recipient earns on SGR funds must be reported to the Department and may only be used on approved SGR projects or returned to the Department.

(8) The recipient must notify the Department of any proposed changes to an approved project list by submitting an amended project list.

(9) Funds will be expended in a timely manner.

C. Reporting

(1) Per Public Utilities Code § 99312.1 (e) and (f), the recipient must submit the following SGR reports:

a. Annual Expenditure Reports within six months of the close of the fiscal year (by December 31st) of each year.

b. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of SGR funds. A copy of the audit report must be submitted to the Department within six months of the close of each fiscal year in which SGR funds have been received or expended.

D. Cost Principles

(1) The recipient agrees to comply with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

(2) The recipient agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall

comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

(3) Any project cost for which the recipient has received payment that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, are subject to repayment by the recipient to the State of California (State). Should the recipient fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the recipient from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

(1) The recipient agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the recipient, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the recipient, its contractors and subcontractors connected with SGR funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the recipient, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the recipient pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the recipient's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.

(2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the recipient's contracts with third parties pursuant to Government Code § 8546.7, the recipient, its contractors and subcontractors and the Department shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a

project for audits, examinations, excerpts, and transactions, and the recipient shall furnish copies thereof if requested.

(3) The recipient, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

(1) Recipient acknowledges that if a project list is not submitted timely, the recipient forfeits its apportionment for that fiscal year.

(2) Recipients with delinquent expenditure reports may risk future eligibility for future SGR funding.

(3) Recipient acknowledges that the Department shall have the right to perform an audit and/or request detailed project information of the recipient's SGR funded projects at the Department's discretion from SGR award through 3 years after the completion and final billing of any SGR funded project.. Recipient agrees to provide any requested project information.

I certify all of these conditions will be met.

CITY OF TRACY

BY: _____

Brian MacDonald, Director
Parks & Recreation Department

ATTACHMENT I
(INSERT Agency Board Resolution approving this document)

RESOLUTION 2020-_____

AUTHORIZING THE ASSIGNMENT OF THE PARKS & RECREATION DIRECTOR, OR DESIGNEE, AS THE AUTHORIZED AGENT TO EXECUTE AND FILE ALL DOCUMENTS AND FUNDING AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR ALLOCATIONS OF THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM AND EXECUTION OF THE CERTIFICATIONS AND ASSURANCES

WHEREAS, The City of Tracy is an eligible transit operator and may receive state funding from the State Transit Assistance State of Good Repair (SGR) program for transit projects, and

WHEREAS, The statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations, and

WHEREAS, Caltrans has developed guidelines for the purpose of administering and distributing SGR funds to eligible transit operators, and

WHEREAS, The City of Tracy wishes to delegate authorization to execute these documents and any amendments thereto to the City of Tracy Parks & Recreation Director, or designee, and

WHEREAS, The City of Tracy wishes to use SGR funding for projects deemed eligible according to the guidelines set forth by Caltrans;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Tracy assigns the Parks & Recreation Director, or designee, as the authorized agent to execute all required documents and funding agreements with the California Department of Transportation for allocations of the California State of Good Repair program and execution of the Certifications and Assurances.

* * * * * * * * * * * *

The foregoing Resolution 2020-_____ was adopted by the Tracy City Council on the 20th day of October, 2020, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

October 20, 2020

AGENDA ITEM 1.C

REQUEST

APPROVE THE FINAL SUBDIVISION MAP FOR TRACT NO. 4013, KT PROPERTY I, AND AUTHORIZE THE RECORDATION OF THE FINAL SUBDIVISION MAP IN THE OFFICE OF THE SAN JOAQUIN COUNTY RECORDER

EXECUTIVE SUMMARY

City staff requests that the City Council approve the Final Subdivision Map for Tract No. 4013, KT Property I, for subdivision into three (3) lots: two (2) lots being for future commercial development and one (1) lot being for future residential development. Approval of the Final Subdivision Map will facilitate recordation of the map; however, additional City approvals are needed in order for commercial or residential development to occur on this property.

DISCUSSION

On May 19, 2020, the City Council approved the Vesting Tentative Subdivision Map for the Tracy Hills KT Project (VTSM), pursuant to Resolution No. 2020-075. The VTSM includes approximately 185 single-family residential lots, 2 commercial parcels, and various other parcels, including a linear park and HOA recreation area, consisting of approximately 45 acres located on the east side of Corral Hollow Road in the vicinity of Tracy Hills Drive, as further depicted on Attachment A.

Condition of Approval C.1.2 of the VTSM states that if the first Final Map to be filed within the boundaries of the Tracy Hills KT Project is filed solely for financing purposes, and no permits will be requested pursuant to such Final Map, then the requirements listed in the other Conditions of Approval for the VTSM shall not apply to the Final Map filed for financing purposes only.

The Subdivider is requesting approval of the Final Subdivision Map for Tract No. 4013, KT Property I, to create 3 lots, with 2 of the lots (designated as Parcel 1 and Parcel 2) being for future commercial development purposes, and 1 lot (designated as Parcel 3) being for future residential development purposes, in conformance with the approved VTSM.

Pursuant to aforesaid Condition of Approval C.1.2, the Final Subdivision Map for Tract No. 4013, KT Property I, is the first Final Map and is intended for financing purposes only and is not intended by the Subdivider or the City to permit actual development on the property encompassed by the VTSM until a subsequent Final Map for the future residential lots on Parcel 3 is approved by the City, or Development Review approval is granted by the City for the future commercial development on Parcel 1 and Parcel 2.

The Final Subdivision Map for Tract No. 4013, KT Property I, includes offers of dedication to the City of public right-of-way for the future widening of Corral Hollow Road and easements for public utility purposes. The City will accept the offers of dedication of public right-of-way and easements at such time as the associated public improvements are completed in connection with the development of the future residential lots on Parcel 3, and in accordance with the Conditions of Approval of the VTSM.

The Final Subdivision Map for Tract No. 4013, KT Property I, includes the abandonment by the City of an existing roadway easement for Corral Hollow Road. Said abandonment will become effective upon the recordation of the Final Subdivision Map.

The Final Subdivision Map for Tract No. 4013, KT Property I, has been prepared on behalf of the Subdivider and reviewed by the Engineering Division, and has been determined to be in substantial compliance with approved Vesting Tentative Subdivision Map. The Final Subdivision Map is attached hereto as Attachment B.

Since the Final Subdivision Map for Tract No. 4013, KT Property I, is intended for financing purposes only, and therefore no improvements are required as a condition of the recordation of the Final Map, a Subdivision Improvement Agreement and associated improvement security is not required for this map.

FISCAL IMPACT

The Subdivider has paid the applicable engineering review fees, which include the cost of review of the Final Subdivision Map.

STRATEGIC PLAN

This agenda item is consistent with the Council approved Economic Development Strategy to ensure physical infrastructure necessary for development.

RECOMMENDATION

Staff recommends that the Tracy City Council, by resolution, approve the Final Subdivision Map for Tract No. 4013, KT Property I, and authorize the recordation of Final Subdivision Map in the Office of the San Joaquin County Recorder.

Prepared by: Nanda Gottiparthy, PE, SNG & Associates, Inc.

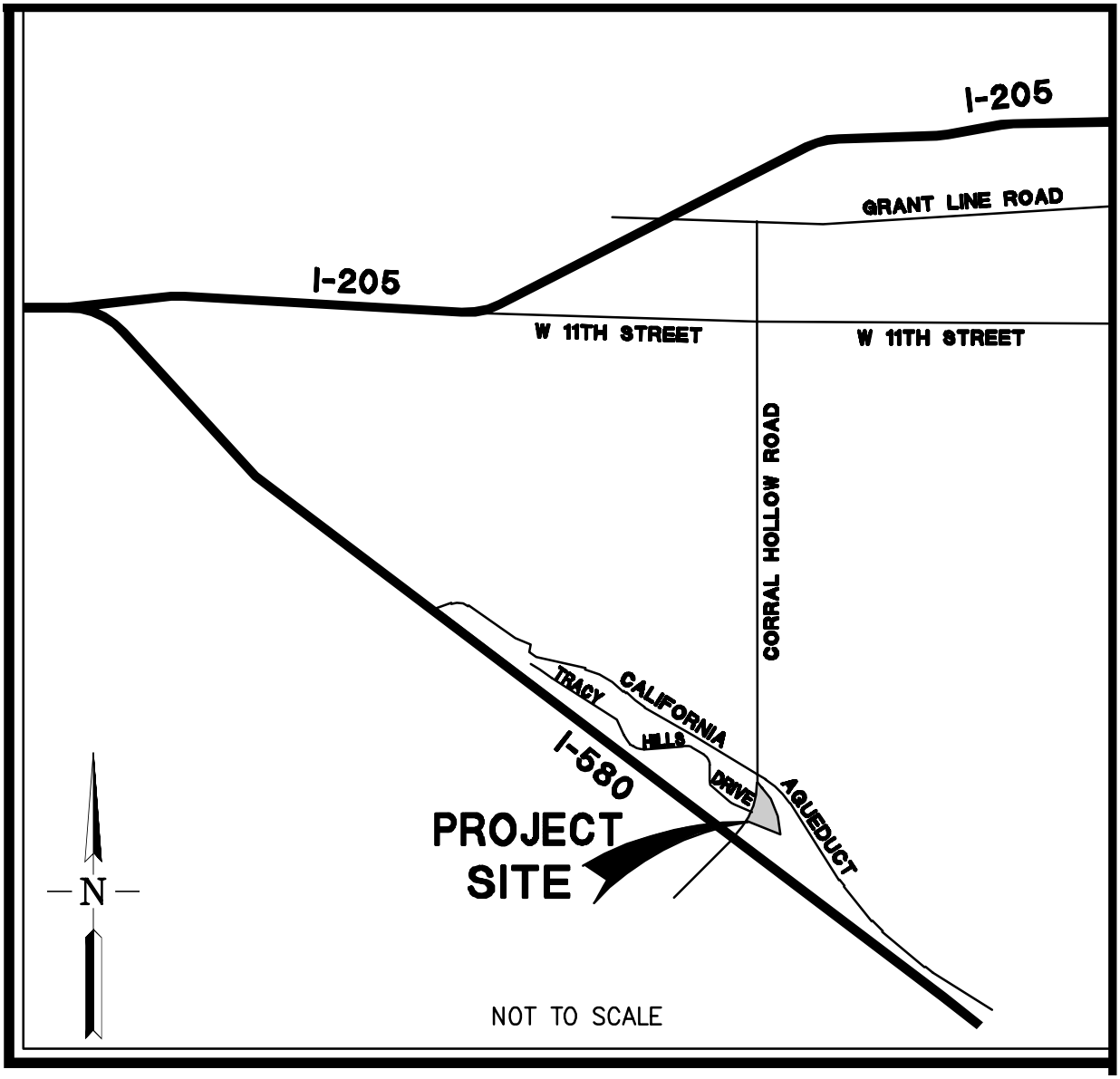
Reviewed by: Robert Armijo, PE, City Engineer / Assistant Development Services Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – Location Map
Attachment B – Final Subdivision Map

ATTACHMENT A
Location Map



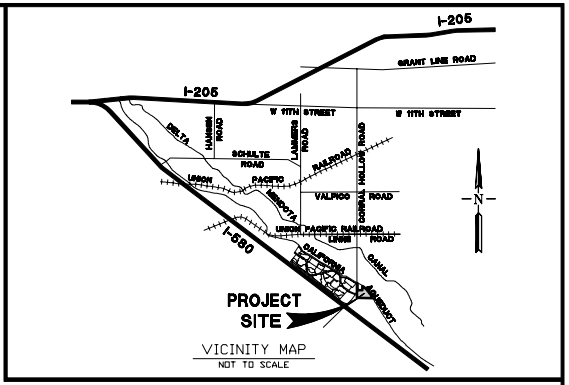
TRACT NO. 4013
SUBDIVISIONS OF SAN JOAQUIN COUNTY

KT PROPERTY I

BEING A SUBDIVISION OF OF THE LANDS OF HSIANG RAY TSENG AS DESCRIBED IN THE GRANT DEED RECORDED DECEMBER 1, 2009 UNDER RECORDER'S SERIES NUMBER 2009-171538, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, BEING PORTIONS OF SECTIONS 7 & 18, T. 3 S., R. 5 E. MOUNT DIABLO MERIDIAN

CITY OF TRACY
SAN JOAQUIN COUNTY, CALIFORNIA

RUGGERI-JENSEN-AZAR
CIVIL ENGINEERS, PLANNERS, SURVEYORS
PLEASANTON, CALIFORNIA
SEPTEMBER 2020



VICINITY MAP
NOT TO SCALE

OWNER'S STATEMENT

THE UNDERSIGNED, HEREBY STATE THAT THEY ARE THE PARTIES HAVING RECORD TITLE INTEREST IN THE LANDS SUBDIVIDED AND SHOWN ON THIS FINAL MAP OF "TRACT NO. 4013, SUBDIVISIONS OF SAN JOAQUIN COUNTY, KT PROPERTY I", CITY OF TRACY, CALIFORNIA, AND THEY HEREBY CONSENT TO THE PREPARATION AND FILING OF THIS FINAL MAP IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY, CALIFORNIA.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED TO THE CITY OF TRACY, IN FEE, FOR PUBLIC PURPOSES: THE AREA DESIGNATED AS "CORRAL HOLLOW ROAD" WITHIN THE BOUNDARY OF THIS MAP IS FOR THE PURPOSE OF PUBLIC STREETS.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED TO THE CITY OF TRACY AS AN EASEMENT FOR PUBLIC PURPOSES: THE AREAS DESIGNATED AS "PUBLIC UTILITY EASEMENT" OR "PUE" ARE FOR PUBLIC UTILITY PURPOSES, INCLUDING THE RIGHTS OF INGRESS, EGRESS, CONSTRUCTION, RECONSTRUCTION, ACCESS FOR MAINTENANCE OF WORKS, IMPROVEMENTS AND STRUCTURES, AND THE CLEARING OF OBSTRUCTIONS AND VEGETATION.

DATED THIS _____ DAY OF _____, 2020.

OWNER: HSIANG RAY TSENG
CORRAL HOLLOW ROAD
TRACY, CA 95376

BY: _____

PRINT NAME: _____

OWNER: CITY OF TRACY
333 CIVIC CENTER PLAZA
TRACY, CA 95376

BY: _____

PRINT NAME: _____

OWNER'S ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF _____) SS

ON _____, 2020, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC FOR THE STATE OF CALIFORNIA, PERSONALLY APPEARED _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/ SHE/ THEY EXECUTED THE SAME IN HIS/ HER/ THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS /HER /THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY ON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND,

SIGNATURE: _____

PRINT NAME: _____

MY COMMISSION NUMBER: _____

MY COMMISSION EXPIRES: _____

PRINCIPAL COUNTY OF BUSINESS: _____

OWNER'S ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA)
COUNTY OF _____) SS

ON _____, 2020, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC FOR THE STATE OF CALIFORNIA, PERSONALLY APPEARED _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/ SHE/ THEY EXECUTED THE SAME IN HIS/ HER/ THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS /HER /THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY ON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND,

SIGNATURE: _____

PRINT NAME: _____

MY COMMISSION NUMBER: _____

MY COMMISSION EXPIRES: _____

PRINCIPAL COUNTY OF BUSINESS: _____

SIGNATURE OMISSIONS:

PURSUANT TO SECTION 66436(a)3(A)(i-viii) OF THE CALIFORNIA SUBDIVISION MAP ACT, THE SIGNATURES OF PARTIES OWNING THE FOLLOWING INTERESTS, WHICH CANNOT RIPEN INTO A FEE, HAVE BEEN OMITTED:

1. STATE DRAINAGE EASEMENTS: 2609 O.R. 245

CERTIFICATE OF DEDICATION

THE FOLLOWING REAL PROPERTY IS DEDICATED BY HSIANG RAY TSENG, CORRAL HOLLOW ROAD, TRACY, CA 95376, AND THE CITY OF TRACY, 333 CIVIC CENTER PLAZA, TRACY, CA 95376 FOR THE PURPOSE OF PUBLIC STREET RIGHTS-OF-WAY:

"CORRAL HOLLOW ROAD".

THE CITY OF TRACY SHALL RECONVEY THE PROPERTY TO THE SUBDIVIDER IF THE CITY OF TRACY MAKES A DETERMINATION PURSUANT TO GOVERNMENT CODE SECTION 66477.5 THAT THE SAME PUBLIC PURPOSE FOR WHICH THE PROPERTY WAS DEDICATED DOES NOT EXIST, OR THE PROPERTY OR ANY PORTION THEREOF IS NOT NEEDED FOR PUBLIC UTILITIES.

RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 2020, AT _____ __M., IN BOOK _____ OF MAPS AND PLATS, AT PAGE _____, RECORDER'S SERIES NO. _____ AT THE REQUEST OF FIRST AMERICAN TITLE COMPANY.

FEE: $_____ PAID

STEVE J. BESTOLARIDES
ASSESSOR/RECORDER/COUNTY CLERK

BY: _____
DEPUTY COUNTY RECORDER

© J:\JOBS\185023\SURVEY\CAD FILES\FINAL MAP\TRACT\185023-FINAL1.DWG 9/22/2020 2:25:17 PM ALAN NELSON

JOB NO. 185023

ATTACHMENT B
Final Subdivision Map

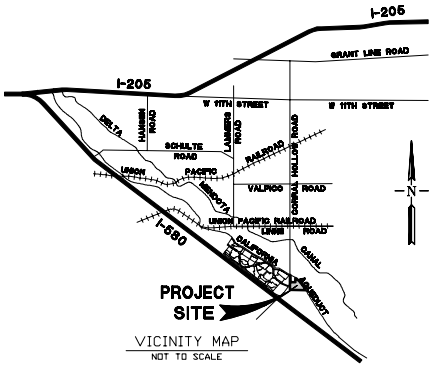
TRACT NO. 4013
SUBDIVISIONS OF SAN JOAQUIN COUNTY

KT PROPERTY I

BEING A SUBDIVISION OF OF THE LANDS OF HSIANG RAY TSENG AS DESCRIBED IN THE GRANT DEED RECORDED DECEMBER 1, 2009 UNDER RECORDER'S SERIES NUMBER 2009-171538, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, BEING PORTIONS OF SECTIONS 7 & 18, T. 3 S., R. 5 E. MOUNT DIABLO MERIDIAN

CITY OF TRACY
SAN JOAQUIN COUNTY, CALIFORNIA

RUGGERI-JENSEN-AZAR
CIVIL ENGINEERS, PLANNERS, SURVEYORS
PLEASANTON, CALIFORNIA
SEPTEMBER 2020



VICINITY MAP
NOT TO SCALE

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF HSIANG RAY TSENG, ON FEBRUARY 1, 2020. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP (IF ANY), THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

DATED THIS _____ DAY OF _____, 2020.

LICENSED LAND SURVEYOR
SCOTT A. SHORTLIDGE
No. 6441
STATE OF CALIFORNIA

SCOTT A. SHORTLIDGE, P.L.S. NO. 6441

CITY ENGINEER'S STATEMENT

I, ROBERT ARMIJO, HEREBY STATE THAT I AM THE CITY ENGINEER OF THE CITY OF TRACY, CALIFORNIA AND THAT I HAVE EXAMINED THIS FINAL MAP OF "TRACT 4013, SUBDIVISIONS OF SAN JOAQUIN COUNTY, KT PROPERTY I", CITY OF TRACY, CALIFORNIA AND THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, AND ANY APPROVED ALTERATIONS THEREOF. I FURTHER STATE THAT THIS FINAL MAP COMPLIES WITH ALL THE PROVISIONS OF TITLES 10 AND 12 OF THE TRACY MUNICIPAL CODE, AND ANY AMENDMENTS THERETO, APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP.

DATED THIS _____ DAY OF _____, 2020.

REGISTERED PROFESSIONAL ENGINEER
ROBERT ARMIJO
No. 63173
CIVIL
STATE OF CALIFORNIA

ROBERT ARMIJO, R.C.E. NO. 63173
CITY ENGINEER

SURVEYOR FOR THE CITY STATEMENT

I, DAVID W. ENKE, HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF "TRACT 4013, SUBDIVISIONS OF SAN JOAQUIN COUNTY, KT PROPERTY I", CITY OF TRACY, CALIFORNIA AND THAT THE SUBDIVISION SHOWN HEREON COMPLIES WITH ALL THE PROVISIONS OF CHAPTER 2 OF THE CALIFORNIA SUBDIVISION MAP ACT, AS AMENDED, AND THAT THIS FINAL MAP IS TECHNICALLY CORRECT.

DATED THIS _____ DAY OF _____, 2020.

LICENSED LAND SURVEYOR
DAVID W. ENKE
No. 4071
STATE OF CALIFORNIA

DAVID W. ENKE, L.S. NO. 4071

CITY CLERK'S STATEMENT

THIS IS TO STATE THAT AT ITS REGULARLY HELD MEETING ON THE _____ DAY OF _____, 2020, THE CITY COUNCIL OF THE CITY OF TRACY, CALIFORNIA PER COUNCIL RESOLUTION NO._____ APPROVED THIS FINAL MAP OF "TRACT NO. 4013, SUBDIVISIONS OF SAN JOAQUIN COUNTY, KT PROPERTY I", CITY OF TRACY, CALIFORNIA, AND ACCEPTED ON BEHALF OF THE PUBLIC FOR PUBLIC USE THE OFFER OF DEDICATION OF ALL PUBLIC UTILITY EASEMENTS, AND ACCEPTED THE OFFER OF DEDICATION OF ALL STREET RIGHTS-OF-WAY, SUBJECT TO SATISFACTORY COMPLETION OF IMPROVEMENTS THEREON OF SAID STREET RIGHTS-OF-WAY, IN ACCORDANCE WITH TITLES 10 AND 12 OF THE TRACY MUNICIPAL CODE, AND ANY AMENDMENTS THERETO, APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP.

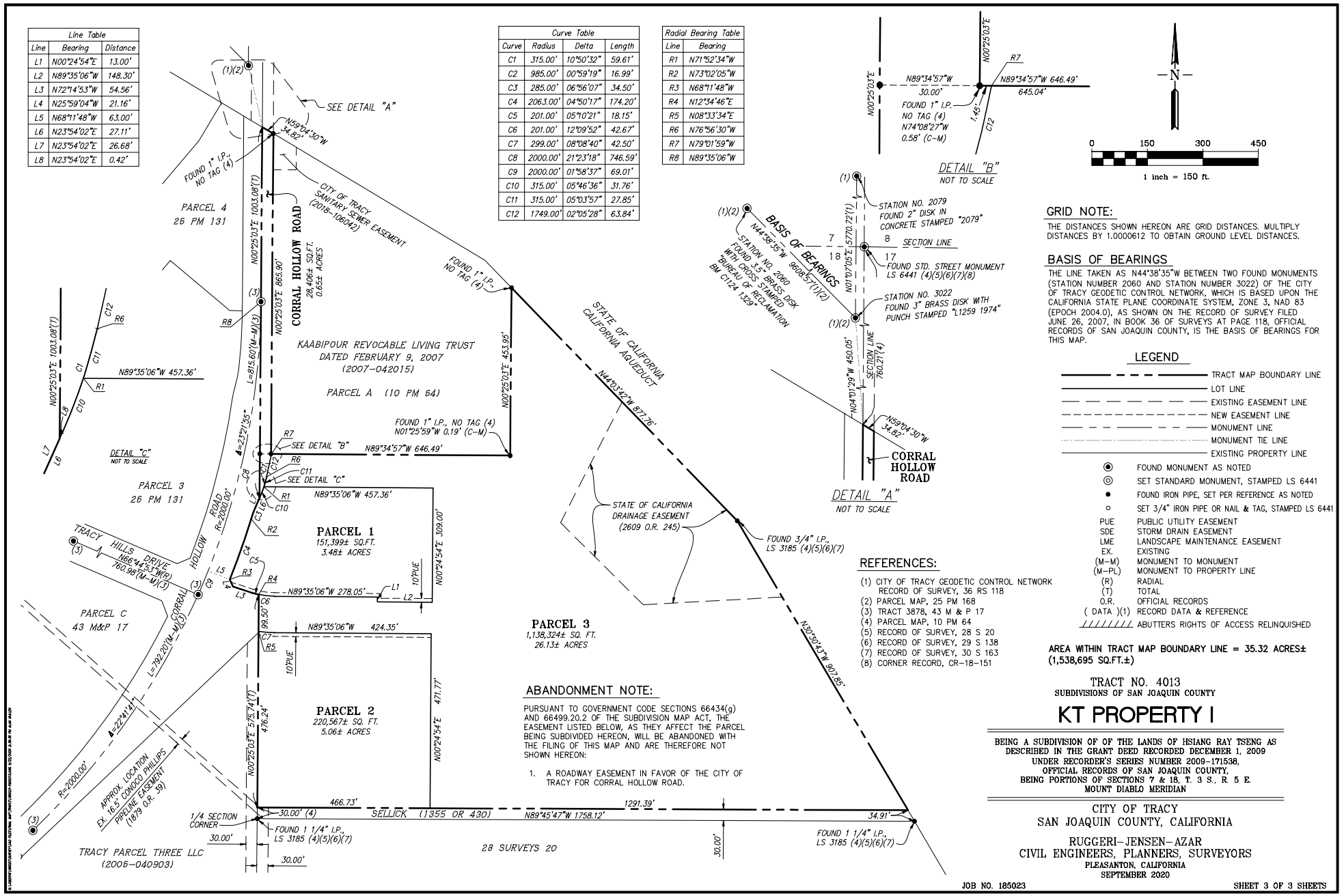
I HEREBY FURTHER STATE PURSUANT TO SECTIONS 66434 (g) AND 66499.20.2 OF THE SUBDIVISION MAP ACT, THE ABANDONMENT OF THE EASEMENT LISTED ON SHEET 3 OF THIS MAP.

I HEREBY FURTHER STATE PURSUANT TO SECTION 66477.5 OF THE GOVERNMENT CODE OF THE STATE OF CALIFORNIA; THE LOCAL AGENCY SHALL RECONVEY THE PROPERTY TO THE SUBDIVIDER IF THE LOCAL AGENCY MAKES A DETERMINATION PURSUANT TO SAID SECTION THAT THE SAME PUBLIC PURPOSE FOR WHICH THE PROPERTY WAS DEDICATED DOES NOT EXIST, OR THE PROPERTY OR ANY PORTION THEREOF IS NOT NEEDED FOR PUBLIC UTILITIES, AS SPECIFIED IN SUBDIVISION (C) OF SAID SECTION.

DATED THIS _____ DAY OF _____, 2020.

_____
ADRIANNE RICHARDSON, CITY CLERK
AND CLERK OF THE CITY COUNCIL

G:\JOBS\185023\SURVEY\CAD FILES\FINAL MAP\TRACT\185023-R000SUBS.DWG 9/15/2020 8:42:50 AM ALAN MILLER


Line Table
Line | Bearing | Distance
L1 | N00°24'54"E | 13.00'
L2 | N89°35'06"W | 148.30'
L3 | N72°14'53"W | 54.56'
L4 | N25°59'04"W | 21.16'
L5 | N68°11'48"W | 63.00'
L6 | N23°54'02"E | 27.11'
L7 | N23°54'02"E | 26.68'
L8 | N23°54'02"E | 0.42'
Curve Table
Curve | Radius | Delta | Length
C1 | 315.00' | 10°50'32" | 59.61'
C2 | 985.00' | 00°59'19" | 16.99'
C3 | 285.00' | 06°56'07" | 34.50'
C4 | 2063.00' | 04°50'17" | 174.20'
C5 | 201.00' | 05°10'21" | 18.15'
C6 | 201.00' | 12°09'52" | 42.67'
C7 | 299.00' | 08°08'40" | 42.50'
C8 | 2000.00' | 21°23'18" | 746.59'
C9 | 2000.00' | 01°58'37" | 69.01'
C10 | 315.00' | 05°46'36" | 31.76'
C11 | 315.00' | 05°03'57" | 27.85'
C12 | 1749.00' | 02°05'28" | 63.84'
Radial Bearing Table
Line | Bearing
R1 | N71°52'34"W
R2 | N73°02'05"W
R3 | N68°11'48"W
R4 | N12°34'46"E
R5 | N08°33'34"E
R6 | N76°56'30"W
R7 | N79°01'59"W
R8 | N89°35'06"W
SEE DETAIL "A"
N59°34'30"W 34.82'
FOUND 1" I.P., NO TAG (4)
CITY OF TRACY SANITARY SEWER EASEMENT (2018-106042)
PARCEL 4 26 PM 131
CORRAL HOLLOW ROAD
N00°25'03"E 1003.08'(T)
N00°25'03"E 865.90'
28,406± SQ.FT. 0.65± ACRES
FOUND 1" I.P., NO TAG (4)
KAABIPOUR REVOCABLE LIVING TRUST DATED FEBRUARY 9, 2007 (2007-042015)
PARCEL A (10 PM 64)
N00°25'03"E 453.95'
STATE OF CALIFORNIA CALIFORNIA AQUEDUCT
N44°03'42"W 877.76'
FOUND 1" I.P., NO TAG (4) N01°25'59"W 0.19' (C-M)
SEE DETAIL "B"
N89°34'57"W 646.49'
DETAIL "C" NOT TO SCALE
PARCEL 3 26 PM 131
N89°35'06"W 457.36'
PARCEL 1 151,399± SQ.FT. 3.48± ACRES
N00°24'54"E 309.00'
TRACY HILLS DRIVE
N66°44'53"W(R) 760.98'(M-M)(3)
CORRAL HOLLOW ROAD R=2000.00'
L=815.60'(M-M)(3)
Δ=23°21'56"
PARCEL C 43 M&P 17
L=792.20'(M-M)(3)
N89°35'06"W 278.05'
10'PUE
N89°35'06"W 424.35'
99.50'
PARCEL 2 220,567± SQ. FT. 5.06± ACRES
N00°25'03"E 5.75.74'(T) 476.24'
N00°24'54"E 471.77'
Δ=2°24'14"
R=2000.00'
APPROX. LOCATION EX. 16.5' CONOCO PHILLIPS PIPELINE EASEMENT (1879 O.R. 59)
TRACY PARCEL THREE LLC (2006-040903)
1/4 SECTION CORNER
30.00'
FOUND 1 1/4" I.P., LS 3185 (4)(5)(6)(7)
466.73'
SELLICK (1355 OR 430)
N89°45'47"W 1758.12'
1291.39'
34.91'
28 SURVEYS 20
STATE OF CALIFORNIA DRAINAGE EASEMENT (2609 O.R. 245)
FOUND 3/4" I.P., LS 3185 (4)(5)(6)(7)
N30°30'43"W 907.85'
PARCEL 3 1,138,324± SQ. FT. 26.13± ACRES
ABANDONMENT NOTE:
PURSUANT TO GOVERNMENT CODE SECTIONS 66434(g) AND 66499.20.2 OF THE SUBDIVISION MAP ACT, THE EASEMENT LISTED BELOW, AS THEY AFFECT THE PARCEL BEING SUBDIVIDED HEREON, WILL BE ABANDONED WITH THE FILING OF THIS MAP AND ARE THEREFORE NOT SHOWN HEREON:
1. A ROADWAY EASEMENT IN FAVOR OF THE CITY OF TRACY FOR CORRAL HOLLOW ROAD.
DETAIL "B" NOT TO SCALE
N89°34'57"W 30.00'
N89°34'57"W 646.49' 645.04'
FOUND 1" I.P. NO TAG (4) N74°08'27"W 0.58' (C-M)
1.45'
N00°25'03"E
R7
C12
DETAIL "A" NOT TO SCALE
STATION NO. 2079 FOUND 2" DISK IN CONCRETE STAMPED "2079"
BASIS OF BEARINGS
N44°38'35"W 9606.57'(1)(2)
STATION NO. 2060 FOUND 3.5" BRASS DISK WITH CROSS STAMPED "BUREAU OF RECLAMATION BM C1124 1329"
N01°07'05"E 5770.72'(1)
SECTION LINE
FOUND STD. STREET MONUMENT LS 6441 (4)(5)(6)(7)(8)
STATION NO. 3022 FOUND 3" BRASS DISK WITH PUNCH STAMPED "L1259 1974"
N04°01'29"W 450.05'
SECTION LINE 760.27'(4)
N59°34'30"W 34.82'
CORRAL HOLLOW ROAD
0 150 300 450
1 inch = 150 ft.
GRID NOTE:
THE DISTANCES SHOWN HEREON ARE GRID DISTANCES. MULTIPLY DISTANCES BY 1.0000612 TO OBTAIN GROUND LEVEL DISTANCES.
BASIS OF BEARINGS
THE LINE TAKEN AS N44°38'35"W BETWEEN TWO FOUND MONUMENTS (STATION NUMBER 2060 AND STATION NUMBER 3022) OF THE CITY OF TRACY GEODETIC CONTROL NETWORK, WHICH IS BASED UPON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE 3, NAD 83 (EPOCH 2004.0), AS SHOWN ON THE RECORD OF SURVEY FILED JUNE 26, 2007, IN BOOK 36 OF SURVEYS AT PAGE 118, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, IS THE BASIS OF BEARINGS FOR THIS MAP.
LEGEND
TRACT MAP BOUNDARY LINE
LOT LINE
EXISTING EASEMENT LINE
NEW EASEMENT LINE
MONUMENT LINE
MONUMENT TIE LINE
EXISTING PROPERTY LINE
FOUND MONUMENT AS NOTED
SET STANDARD MONUMENT, STAMPED LS 6441
FOUND IRON PIPE, SET PER REFERENCE AS NOTED
SET 3/4" IRON PIPE OR NAIL & TAG, STAMPED LS 6441
PUE PUBLIC UTILITY EASEMENT
SDE STORM DRAIN EASEMENT
LME LANDSCAPE MAINTENANCE EASEMENT
EX. EXISTING
(M-M) MONUMENT TO MONUMENT
(M-PL) MONUMENT TO PROPERTY LINE
(R) RADIAL
(T) TOTAL
O.R. OFFICIAL RECORDS
(DATA)(1) RECORD DATA & REFERENCE
ABUTTERS RIGHTS OF ACCESS RELINQUISHED
REFERENCES:
(1) CITY OF TRACY GEODETIC CONTROL NETWORK RECORD OF SURVEY, 36 RS 118
(2) PARCEL MAP, 25 PM 168
(3) TRACT 3878, 43 M & P 17
(4) PARCEL MAP, 10 PM 64
(5) RECORD OF SURVEY, 28 S 20
(6) RECORD OF SURVEY, 29 S 138
(7) RECORD OF SURVEY, 30 S 163
(8) CORNER RECORD, CR-18-151
AREA WITHIN TRACT MAP BOUNDARY LINE = 35.32 ACRES± (1,538,695 SQ.FT.±)
TRACT NO. 4013
SUBDIVISIONS OF SAN JOAQUIN COUNTY
KT PROPERTY I
BEING A SUBDIVISION OF OF THE LANDS OF HSIANG RAY TSENG AS DESCRIBED IN THE GRANT DEED RECORDED DECEMBER 1, 2009 UNDER RECORDER'S SERIES NUMBER 2009-171538, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, BEING PORTIONS OF SECTIONS 7 & 18, T. 3 S., R. 5 E. MOUNT DIABLO MERIDIAN
CITY OF TRACY
SAN JOAQUIN COUNTY, CALIFORNIA
RUGGERI-JENSEN-AZAR
CIVIL ENGINEERS, PLANNERS, SURVEYORS
PLEASANTON, CALIFORNIA
SEPTEMBER 2020
JOB NO. 185023
SHEET 3 OF 3 SHEETS

RESOLUTION 2020-_____

APPROVING THE FINAL SUBDIVISION MAP FOR TRACT NO. 4013, KT PROPERTY I, AND AUTHORIZING THE RECORDATION OF THE FINAL SUBDIVISION MAP IN THE OFFICE OF THE SAN JOAQUIN COUNTY RECORDER

WHEREAS, A Vesting Tentative Subdivision Map for the Tracy Hills KT Project (VTSM), including approximately 185 single-family residential lots, two (2) commercial parcels, and various other parcels, including a linear park and HOA recreation area, was approved by the Tracy City Council on May 19, 2020, pursuant to Resolution No. 2020-075, and

WHEREAS, Condition of Approval C.1.2 of the VTSM states that if the first Final Map to be filed within the boundaries of the Tracy Hills KT Project is filed solely for financing purposes, and no permits will be requested pursuant to such Final Map, then the requirements listed in the other Conditions of Approval for the VTSM shall not apply to the Final Map filed for financing purposes only, and

WHEREAS, The Subdivider is requesting approval of the Final Subdivision Map for Tract No. 4013, KT Property I, to create 3 lots, with 2 of the lots being for future commercial development purposes, and 1 lot being for future residential development purposes, in conformance with the approved VTSM, and

WHEREAS, The Final Subdivision Map for Tract No. 4013, KT Property I, is the first Final Map within the Tracy Hills KT Project and is intended for financing purposes only and is not intended by the Subdivider or the City to permit actual development on the property encompassed by the VTSM, and

WHEREAS, The Final Subdivision Map for Tract No. 4013, KT Property I, includes offers of dedication to the City of public right-of-way and easements, and the abandonment by the City of an existing roadway easement, and

WHEREAS, The Final Subdivision Map for Tract No. 4013, KT Property I, has been determined to be in substantial compliance with approved Vesting Tentative Subdivision Map, and

WHEREAS, There will be no fiscal impact to the General Fund as the Subdivider has paid the cost of engineering, map review and processing the Final Subdivision Map;

NOW, THEREFORE, BE IT RESOLVED, That the Tracy City Council of the City of Tracy hereby approves the Final Subdivision Map for Tract No. 4013, KT Property I, and authorizes the recordation of the Final Subdivision Map in the Office of the San Joaquin County Recorder.

* * * * * * * * * * * * *

The foregoing Resolution 2020-_____ was passed and adopted by the Tracy City Council on the 20th day of October 2020, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

October 20, 2020

AGENDA ITEM 1.D

REQUEST

APPROVE A ONE YEAR GENERAL SERVICES AGREEMENT WITH NUTRIEN AG SOLUTIONS, FOR CHEMICALS USED IN THE CITY OF TRACY'S INTEGRATED PEST MANAGEMENT (IPM) PROGRAM FOR A NOT TO EXCEED AMOUNT OF $195,000 ANNUALLY AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT AND ANY EXTENSIONS OR MINOR AMENDMENTS TO THE AGREEMENT

EXECUTIVE SUMMARY

The Public Works Department purchases chemicals for pest management in City right-of-ways, General Fund parks, landscapes and trails. This agenda item is to award the IPM chemical supply services to Nutrien Ag Solutions.

DISCUSSION

The City of Tracy requires chemicals for the maintenance and management of weeds and pests in the City right-of-ways, General Fund parks, landscaping and trails. Chemicals are applied to the various areas affected throughout the year to create safe right-of-way passages, and healthy and attractive landscaping.

On June 1, 2020, staff issued a Request for Proposals to provide the City with chemicals used for pest management. Currently, the City's IPM program uses the least toxic chemicals to control different weeds and pests throughout the City. The City received three bid packages, all of which were opened on June 15, 2020.

The lowest responsive bid, based on meeting the bid requirements, product availability, delivery, and cost, was submitted by Nutrien Ag Solutions. Nutrien Ag Solutions also included in their bid training that will fulfill Continuing Education Units for all Qualified Applicators on City staff at no additional cost.

The agreement includes an annual not-to-exceed amount of $195,000. Built into the not-to-exceed amount is a possible 3% annual CPI market increase every year after the initial year along with an overall contingency amount of 20% to cover moderate expansions to service areas and any emergency services that arise due to new developments that will be charged against the agreement. These estimated increases do not anticipate the addition of a major facility such as a large multi-generational facility or major development that include City right-of-ways, General Fund parks, landscaping and trails. Such a major addition will be negotiated separately and brought to Council for approval.

Upon approval, the initial term of the Agreement will be from November 1, 2020 through October 31, 2021. In the event that the City determines that the Contractor has satisfactorily performed all requirements in this Agreement, and upon recommendation from the Public Works Director to the City Manager, the City Manager may extend this Agreement for up to an additional five (5) years in any combination, not to exceed a total agreement length of six (6) years.

STRATEGIC PLAN:

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

FISCAL IMPACT:

Sufficient funds have been appropriated in the Fiscal Year 20/21 operating budget.

RECOMMENDATION:

That the City Council approve a one year General Services Agreement with Nutrien Ag Solutions, for chemicals used in the City of Tracy's Integrated Pest Management (IPM) Program for a not to exceed amount of **$195,000** annually and authorize the City Manager to execute the agreement and any extensions or minor amendments to the agreement.

Prepared by: John Newman, Public Works Supervisor

Reviewed by: David Murphy, Public Works Superintendent
Don Scholl, Public Works Director
Karin Schnaider, Finance Director
Midori Lichtwardt, Assistant City Manager

Approved by: Jennifer D. Haruyama, City Manager

Attachment A: General Services Agreement

ATTACHMENT A

CITY OF TRACY
GENERAL SERVICES AGREEMENT WITH
Nutrien Ag Solutions for Integrated Pest Management Materials

This General Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and Nutrien Ag Solutions, a California Corporation (**Contractor**). City and Contractor are referred to individually as "Party" and collectively as "Parties."

Recitals

A. City desires to retain Contractor to supply and deliver integrated pest management materials for the prevention and control of plant, invertebrate, nematode, and pathogens that may damage vegetation on City-owned and maintained property.

B. On May 29, 2020, the City issued a Request for Proposals (RFP) for the Integrated Pest Management Materials (**Project**). On June 15, 2020, Contractor submitted its proposal for the Project to the City. City has determined that Contractor possesses the skills, experience and certification required to provide the services.

C. After negotiations between the City and Contractor, the Parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement.

D. This Agreement is being executed pursuant to Resolution No. 2020-____ approved by Tracy City Council on _____, 2020.

Now therefore, the Parties mutually agree as follows:

1. Scope of Work. Contractor shall perform the services described in Exhibit "A" attached and incorporated by reference. The services shall be performed by, or under the direct supervision of, Contractor's Authorized Representative: **Justin Fowler.** Contractor shall not replace its Authorized Representative, nor shall Contractor use or replace any subcontractors or subconsultants, without City's prior written consent. A failure to obtain the City's prior written consent for any change or replacement in personnel or subcontractor may result in the termination of this Agreement.

2. Time of Performance. Time is of the essence in the performance of services under this Agreement and the timing requirements set forth shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Any services for which times for performance are not specified in this Agreement shall be started and completed by Contractor in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the Contractor. Contractor shall submit all requests for time extensions to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.

2.1 Term. The term of this Agreement shall begin on November 1, 2020, and end on October 31, 2021, unless terminated in accordance with Section 6. In the event that the City determines that the Contractor has satisfactorily performed all requirements of this agreement, and per recommendation from the Public Works Director to the City Manager, the City Manager may extend the Agreement for an additional five (5) years in any combination not to exceed a term of six (6) years.

3. Compensation. City shall pay Contractor on a time and expense basis, at the billing rates set forth in Exhibit "B," attached and incorporated by reference for services performed under this Agreement.

3.1 Not to Exceed Amount. Contractor's total compensation under this Agreement shall not exceed, per fiscal year, $195,000. This amount represents the total compensation through any extensions up to 6 years. Contractor's billing rates shall cover all costs and expenses for Contractor's performance of this Agreement. No work shall be performed by Contractor in excess of the total compensation amount provided in this section without the City's prior written approval.

3.2 Invoices. Contractor shall submit monthly invoices to the City that describe the services performed, including times, dates, and names of persons performing the services.

3.2.1. Contractor's failure to submit invoices in accordance with these requirements may result in the City rejecting said invoices and thereby delaying payment to Contractor.

3.3 Payment. Within 30 days after the City's receipt of invoice, City shall make payment to the Contractor based upon the services described on the invoice and approved by the City.

4. Indemnification. Contractor shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Contractor's performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence or willful misconduct of the City.

In this section, "City" means the City, its officials, officers, agents, employees and volunteers; "Contractor" means the Contractor, its employees, agents and subcontractors; "Claims" includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

The provisions of this section survive completion of the services or the termination of this Agreement, and are not limited by the provisions of Section 5 relating to insurance.

5. Insurance. Contractor shall, throughout the duration of this Agreement, maintain insurance to cover Contractor, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.

5.1 Commercial General Liability (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than $4,000,000 general aggregate and $2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

5.2 Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than $1,000,000 per accident for bodily injury and property damage.

5.3 Workers' Compensation coverage shall be maintained as required by the State of California.

5.4 Professional Liability "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Contractor in an amount not less than $1,000,000 per claim.

5.5 Endorsements. Contractor shall obtain endorsements to the automobile and commercial general liability insurance policies with the following provisions:

5.5.1 The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."

5.5.2 For any claims related to this Agreement, Contractor's coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

5.6 Notice of Cancellation. Contractor shall notify the City if the policy is canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation. Contractor shall immediately obtain a replacement policy.

5.7 Authorized Insurers. All insurance companies providing coverage to Contractor shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

5.8 Insurance Certificate. Contractor shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City, before the City signs this Agreement.

5.9 Substitute Certificates. Contractor shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

5.10 Contractor's Obligation. Maintenance of insurance by the Contractor as specified in this Agreement shall in no way be interpreted as relieving the Contractor of any responsibility whatsoever (including indemnity obligations under this Agreement), and the Contractor may carry, at its own expense, such additional insurance as it deems necessary. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

6. Termination. The City may terminate this Agreement by giving ten days' written notice to Contractor. Upon termination, Contractor shall give the City all original documents, including preliminary drafts and supporting documents, prepared by Contractor for this Agreement. The City shall pay Contractor for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

7. Dispute Resolution. If any dispute arises between the City and Contractor that cannot be settled after engaging in good faith negotiations, City and Contractor agree to resolve the dispute in accordance with the following:

7.1 Each Party shall designate a senior management or executive level representative to negotiate the dispute;

7.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

7.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

7.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

7.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

7.6 The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

8 Labor Code Compliance. Contractor is aware of the requirements of Chapter 1 of Part 7 of Division 2 of the California Labor Code and applicable regulations which require the payment of prevailing wage rates (§1771, §1774, and §1775); employment of apprentices (§1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on "public works" and "maintenance" projects. The services being performed under this Agreement are part of a "public

works" or "maintenance" project, as defined in the Prevailing Wage Laws, Contractor agrees to fully comply with such Prevailing Wage Laws.

8.1 Rates. These prevailing wage rates are on file with the City and are available online at http://www.dir.ca.gov/DLSR. Each Contractor and Subcontractor must pay no less than the specified rates to all workers employed to perform the services described herein. The schedule of per diem wages is based upon a working day of eight hours. The rate for holiday and overtime work must be at least time and one-half. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the City harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker, or any other third party.

8.2 Registration with DIR. Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform the services consistent with Labor Code section 1725.5.

8.3 Monitoring. This Agreement will be subject to compliance monitoring and enforcement by the DIR, under Labor Code section 1771.4.

9. Ownership of Work. All original documents prepared by Contractor for this Agreement, whether complete or in progress, are the property of the City, and shall be given to the City at the completion of Contractor's services, or upon demand from the City. No such documents shall be revealed or made available by Contractor to any third party without the City's prior written consent.

10. Independent Contractor Status. Contractor is an independent contractor and is solely responsible for the acts of its employees or agents, including any negligent acts or omissions. Contractor is not City's employee and Contractor shall have no authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation, unless the City provides prior written authorization. Contractor is free to work for other entities while under contract with the City. Contractor, and its agents or employees, are not entitled to City benefits.

11. Conflicts of Interest. Contractor (including its employees, agents, and subcontractors) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. If Contractor maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Contractor's conflicting interest.

12. Rebates, Kickbacks, or Other Unlawful Consideration. Contractor warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any City official or employee. For breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

13. Notices. All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:
Don Scholl
Public Works Director
City of Tracy
520 Tracy Blvd.
Tracy, CA 95376

To Contractor:
Justin Fowler
Nutrien Ag Solutions
10200 Systems Parkway
Sacramento, CA 95827

With a copy to:
City Attorney
333 Civic Center Plaza
Tracy, CA 95376

14. Miscellaneous.

14.1 Standard of Care. Unless otherwise specified in this Agreement, the standard of care applicable to Contractor's services will be the degree of skill and diligence ordinarily used by reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.

14.2 Amendments. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

14.3 Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

14.4 Assignment and Delegation. Contractor may not assign, transfer or delegate this Agreement or any portion of it without the City's written consent. Any attempt to do so will be void. City's consent to one assignment shall not be deemed to be a consent to any subsequent assignment.

14.5 Jurisdiction and Venue. The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

14.6 Compliance with the Law. Contractor shall comply with all applicable local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

14.6.1 Hazardous Materials. Contractor is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of performing their services.

14.6.2 Non-discrimination. Contractor represents and warrants that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Contractor shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

14.7 Business Entity Status. Contractor is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Contractor. By entering into this Agreement, Contractor represents that it is not a suspended corporation. If Contractor is a suspended corporation at the time it enters this Agreement, City may take steps to have this Agreement declared voidable.

14.8 Business License. Before the City signs this Agreement, Contractor shall obtain a City of Tracy Business License. Contractor shall maintain an active City of Tracy Business License during the term of this Agreement.

14.9 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

14.10 Construction of Agreement. Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

14.11. Severability. If a term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in effect.

14.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's proposal (if any), the Exhibits shall control.

14.13 Entire Agreement. This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. All exhibits attached hereto are incorporated by reference herein.

15. Signatures. The individuals executing this Agreement on behalf of Contractor represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Contractor.

[SIGNATURES ON FOLLOWING PAGE]

The Parties agree to the full performance of the terms set forth here.

City of Tracy

_____
By: Robert Rickman
Title: Mayor

Date: _____

Attest:

_____
Adrianne Richardson, City Clerk

Approved as to form:

_____
Leticia Ramirez, City Attorney

Contractor

Justin Fowler
By: Justin Fowler
Title:

Date: 10-1-2020

Federal Employer Tax ID No. 04-3769161

Contractor's License No. _____

Exhibits:

A Scope of Work
B Compensation

EXHIBIT A - Scope of Work

The intent and purpose of these specifications is to provide for the supply and delivery of integrated pest management materials for the prevention and control of plant, invertebrate, nematode, and pathogens that may damage vegetation on City-owned and maintained property. These materials will be supplied on an "as needed basis" as described in the specifications in a neat and workmanlike manner. Contractor may be required to furnish information supporting their ability to supply, without major interruption, the products covered in the proposal.

1. DELIVERY REQUIREMENTS:

Contractor shall supply all materials to be used, including delivery, and Contractor shall supply all labor, material, tools, protective clothing and gear, and equipment that is required or needed to perform the work to handle, remove, transport, and dispose of the waste materials and leave a clean site according to designated categories.

A. Products shall be delivered as ordered by the Public Works Department Supervisor or designee.

B. The City reserves the right to add or delete products as required by its operational need. Contractor shall not charge a price differential for delivery.

C. All deliveries shall be made within ten (10) business days after order has been placed. Orders shall be placed by authorized e-mail or phone call with follow-up e-mail to Contractor.

2. DELIVERY LOCATION:

Contractor agrees to furnish products at the following location:

Address
Boyd Service Center
520 N. Tracy Boulevard
Tracy, California

3. PRICE VERIFICATION:

During the Agreement period, the Contractor will be required to provide price verification. This may be supplied in the form of agency pricing in effect at time of delivery and/or copy of Contractor's manufacturer supplier invoices that show prices paid for products delivered. The Contractor agrees to make available at their office, at reasonable times during the period of the Agreement, any of the above records for inspection or audit by an authorized representative of the City.

4. MINIMUM QUALIFICATIONS:

Vendor must provide a PCA (Pest Control Advisor) who will supply written recommendation for each chemical purchased, for annualized use, prior to delivery. Vendor must have OSHA and EPA regulations requirements appropriate for the industry standards, and adhere with all federal and state regulatory agencies guidelines. Vendor shall conform to all applicable occupational safety and health standards, rules, and regulation and orders established by the State of California. The Vendor shall provide all safety equipment needed for delivery along with appropriate safety apparel for their employees.

EXHIBIT B – Compensation

Nutrien Ag Solutions
City of Tracy RFP
June 2020

PRODUCT	ANTICIPATED ANNUAL AMOUNT	UNIT SIZE	TOTAL UNIT SIZE	PRICE PER UNIT SIZE (i.e. gallon, ounce)	PRICE PER TOTAL UNIT SIZE	TOTAL ANNUAL COST PER VOLUME
Atrimmec	5 gallons	Gallon	1 Gallon	$340.00	$340.00	$1,700.00
Capstone	8 gallons	Gallon	2.5 Gallon	$48.00	$120.00	$384.00
Round-Up Custom	450 gallons	Gallon	30 Gallon	$17.50	$525.00	$7,875.00
Round-Up Quickpro	68 pounds	Pounds	6.8 Pound	$9.00	$61.20	$612.00
Sedgehammer	5.65 ounces	1.33 Ounces	1.33 Ounces	$55.00	$55.00	$233.75
Clearcast	8 gallons	Gallon	1 Gallon	$288.21	$288.21	$2,305.64
Dimension 2EW	40 gallons	Gallon	2.5 Gallon	$215.50	$538.75	$8,620.00
Esplanade 200SC	40 gallons	Gallon	2.5 Gallon	$1,214.98	$3,037.45	$48,599.20
Esplanade EZ	40 gallons	Gallon	2.5 Gallon	$56.00	$140.00	$2,240.00
Gallery 75DF	250 pounds	Pounds	1 Pound	$122.50	$122.50	$30,625.00
Milestone	20 gallons	Gallon	2.5 Gallon	$300.00	$750.00	$6,000.00
Oust XP	9 pounds	Pounds	3 Pounds	$41.88	$125.64	$376.92
Pendulum Aquacap	100 gallons	Gallon	2.5 Gallon	$47.50	$118.75	$4,750.00
Portfolio 4EA	20 gallons	Gallon	2.5 Gallon	$575.00	$1,437.50	$11,500.00
Spreader (vendor specific)	20 gallons	Gallon	2.5 Gallon	$27.00	$67.50	$540.00
Speedzone Southern	20 gallons	Gallon	1 Gallon	$72.65	$72.65	$1,453.00
Fusilade 2	2 quarts	Quart	1 Quart	$73.00	$73.00	$146.00
Revolver	87 ounces	87 Ounces	87 Ounce bottle	$607.94	$607.94	$607.94
Merit	5.14 ounces	6.4 Ounces	1 bag	$65.00	$65.00	$65.00
Pointer (Arbor Systems)	10,000 ml	1000 ml Bottle	1,000 ml bottle	$1,125.00	$1,125.00	$11,250.00
						$139,883.45
					Contingency Increase (20%)	**$167,880.84**

Fiscal Year	Possible Annual Increase
FY 21/22	**$172,917.27**
FY 22/23	**$178,104.78**
FY 23/24	**$183,447.93**
FY 24/25	**$188,951.37**
FY 25/26	**$194,619.91**

RESOLUTION _____

APPROVING A GENERAL SERVICES AGREEMENT WITH NUTRIEN AG SOLUTIONS, OF SACRAMENTO, CA, FOR CHEMICALS USED IN THE CITY OF TRACY'S INTEGRATED PEST MANAGEMENT (IPM) PROGRAM FOR A NOT TO EXCEED AMOUNT OF $195,000 ANNUALLY UP TO A POSSIBLE SIX (6) YEAR TERM WITH EXTENSIONS, AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT AND ANY EXTENSIONS OR MINOR AMENDMENTS

WHEREAS, The Public Works Department requires chemicals for the maintenance and management of weeds and pests in the City right-of-ways, General Fund parks, landscaping and trails affected throughout the year to create safe right-of-way passages, and healthy and attractive landscaping, and

WHEREAS, The Public Works Department issued a notice inviting bids to qualified vendors to provide chemicals used for pest management and bids were received from three contractors, and

WHEREAS, Nutrien Ag Solutions of Sacramento, CA was the lowest responsive bid based on meeting the bid requirements, product availability, delivery and cost, and

WHEREAS, The agreement calls for Nutrien Ag Solutions to supply all materials, including transport and delivery, and

WHEREAS, The total cost for material and labor provided by the Contractor will not exceed $195,000 annually for a maximum of 6 years;

NOW, THEREFORE, BE IT RESOLVED, The City Council approves a general services agreement with Nutrien Ag Solutions, of Sacramento, CA, for chemicals used in the City of Tracy's Integrated Pest Management (IPM) Program for a not to exceed amount of $195,000 annually up to a possible six (6) year term with extensions, and authorize the City Manager to execute the agreement and any extension or minor amendments.

* * * * * * * * * * *

The foregoing Resolution _____ was passed and adopted by the Tracy City Council on the 20th day of October 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

_____
CITY CLERK

October 20, 2020

AGENDA ITEM 1.E

REQUEST

APPROVE THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF TRACY AND TRACY, POST NO. 1537, VETERANS OF FOREIGN WARS OF THE UNITED STATES, DEPARTMENT OF CALIFORNIA

EXECUTIVE SUMMARY

Since 1938, Tracy, Post No. 1537, Veterans of Foreign Wars of the United States, Department of California (Tracy VFW) has served the City of Tracy, its veterans, and its residents. Tracy VFW provides, or has provided in the past, funding and services to maintain flags and banners at Civic Center Plaza and the Tracy War Memorial, coordinated the veteran's paver program at Veterans Memorial Park, and hosts two annual veterans' events for the community.

To formalize the responsibilities of both the Tracy VFW and the City in regards to veterans services and events, and to be transparent about the exchange of services and use of City facilities, Tracy VFW has requested to enter into a Memorandum of Understanding (MOU) with the City.

DISCUSSION

VFW Post No. 1537 was established in Tracy in 1938. The VFW's mission is "To foster camaraderie among United States veterans of overseas conflicts. To serve our veterans, the military and our communities. To advocate on behalf of all veterans."

Tracy VFW members approached the City of Tracy and requested a formal agreement to clarify the responsibilities of both the Tracy VFW and City in regards to veterans' issues and events. City staff met with Tracy VFW members beginning in late October 2019 to discuss terms of the proposed Memorandum of Understanding (MOU). The original presentation of this item to Council was placed on hold due to the COVID-19 emergency in Spring 2020.

The Tracy VFW currently provides, and has provided in the past, a variety of services to support the City and its residents, including cleaning around the Tracy War Memorial prior to veteran-related events, coordinating the paver program and engraving the pavers at Veterans Memorial Park; appropriately retiring US flags from City collection boxes; and providing services to community veterans in distress. The Tracy VFW has also agreed to contribute $5,000 toward a project to provide year-round display of military banners and armed forces flags at the Tracy War Memorial, as well as provide financial assistance to the ongoing replacement of the banners and flags.

The Tracy VFW hosts two annual events on City Property: an annual Memorial Day event on the last Monday of May, and a Veterans Day event on November 11 during even-numbered years (the American Legion hosts the Veterans Day event during odd-numbered years) at the Tracy War Memorial at Civic Center Plaza. Both of the above-mentioned events are followed by community luncheons. The Tracy VFW has requested that rental fees be waived for use of the Tracy Community Center for these events.

The Tracy VFW has also requested use of a City facility to host monthly organization meetings and two community events per year which will be open to veterans, their families, and to the general public, including the local senior community. The use of facilities will strengthen the partnership with the Tracy VFW and the City while promoting public awareness of the services the Tracy VFW provides for Tracy veterans and the community, as well as ensure the continuation of public events hosted by the Tracy VFW for the Tracy community. The Tracy VFW has requested that rental fees be waived for use of a City facility for these meetings.

The estimated annual loss of facility use revenue is $3,319 in even-numbered years and $4,074 in odd-numbered years, under the current Master Fee Schedule, detailed in the chart below:

Event	# Mtgs	# Hrs	Rate	Total
Memorial Day Event (annual)				
Permit Application Fee			$38.00	$38.00
Community Center rental	1	6	$73.00	$438.00
City Hall Plaza (War Memorial) rental	1	4	$31.00	$124.00
On-site staffing / set-up / clean-up (2 staff)	1	5	$31.00	$155.00
Veterans Day Event (bi-annual, even-numbered years)				
Permit Application Fee			$38.00	$38.00
Community Center rental	1	6	$73.00	$438.00
City Hall Plaza (War Memorial) rental	1	4	$31.00	$124.00
On-site staffing / set-up / clean-up (2 staff)	1	5	$31.00	$155.00
Monthly VFW Meetings (weekday)				
Permit Application Fee			$38.00	$38.00
Facility Rental (Community or Sr. Center)	12	2.5	$44.00	$1,320.00
Community Events (weekend)				
Permit Application Fee			$38.00	$38.00
Community Center rental	2	8	$73.00	$1,168.00
			Total Fees Waived Per Year	**$4,074.00**

City staff is amenable to the negotiated terms and exchange of services included in the MOU and recommends that City Council approve by resolution the MOU with the Tracy VFW.

STRATEGIC PLAN

This agenda item supports the City Council Quality of Life Strategic Priority and specifically implements the following goal and objective:

Goal 1: Address City amenities and facility usage with an emphasis on community demand, accessibility, and cost recovery

FISCAL IMPACT

Approval of this MOU will have a fiscal impact to the General Fund as a loss of revenue related to the use of City facilities. The estimated loss of facility use revenue is $3,319 in even-numbered years and $4,074 in odd-numbered years, under the current Master Fee Schedule.

Costs related to maintenance of the propane line and granite surfaces at the War Memorial will be absorbed by the Public Works Department's operating budget. Costs for the flag and banner replacement noted within this MOU will be covered by the City Manager's Office operating budget, less contributions by the Tracy VFW.

RECOMMENDATION

That City Council, by resolution, approve the Memorandum of Understanding between the City of Tracy and Tracy, Post No. 1537, Veterans of Foreign Wars of the United States, Department of California.

Prepared by: Christine Mabry, Management Analyst I

Reviewed by: Thien Nguyen, Recreation Services Supervisor
Jolene Jauregui-Correll, Recreation Services Manager
Brian MacDonald, Parks & Recreation Director
Don Scholl, Public Works Director
Karin Schnaider, Finance Director
Midori Lichtwardt, Assistant City Manager

Approved by: Jennifer D. Haruyama, City Manager

ATTACHMENTS

Attachment A – MOU between the City of Tracy and Tracy, Post No. 1537, Veterans of Foreign Wars of the United States, Department of California

City of Tracy
Memorandum of Understanding
With Tracy, Post No. 1537, Veterans of Foreign Wars of the United States, Department of California

I. **PARTIES**: This Memorandum of Understanding (**Agreement**) is made by and between the City of Tracy (**City**), a municipal corporation, and Tracy, Post No. 1537, Veterans of Foreign Wars of the United States, Department of California (**VFW**), a California non-profit corporation. City and VFW are referred to individually as "Party" and collectively as "Parties."

II. **RECITALS**: VFW Post No. 1537 was established in Tracy in 1938. The VFW's mission is "To foster camaraderie among United States veterans of overseas conflicts. To serve our veterans, the military and our communities. To advocate on behalf of all veterans."

The Tracy VFW hosts an annual community Memorial Day event in May and a Veterans Day event on November 11 in even-numbered years at the War Memorial at Civic Center Plaza, each followed by a community luncheon.

VFW has requested use of a City facility to hold monthly meetings and two social events per year to continue services to Tracy veterans and the community.

III. **RESPONSIBLITIES**: It is agreed by and between the parties hereto that each party have the following designated responsibilities, with operational tasks identified more specifically in Exhibit A, attached hereto and incorporated by reference.

A. City shall:

1. Upon VFW's submission of an approved facility use application and event layout map:
   a. Provide a facility use permit for use of up to four (4) hours at Civic Center Plaza (War Memorial) and up to six (6) hours at the Tracy Community Center to host the annual Memorial Day event and luncheon on the last Monday of May each year.
   b. Provide up to five (5) hours of City facilities staff time to assist with set up and take down of chairs and tables for the event.
   c. Waive all facility rental-related fees, including permit application fee, hourly facility use fees, and facility attendant staffing fees, an estimated value of $755 per City FY2020-21 Master Fee Schedule. Damage deposit shall not be waived.

2. Upon VFW's submission of an approved facility use application and event layout map:
   a. Provide a facility use permit for use of up to four (4) hours at Civic Center Plaza (War Memorial) and up to six (6) hours at the Tracy Community Center to host the bi-annual Veterans Day event and luncheon on November 11 in even-numbered years.
   b. Provide up to five (5) hours of City facilities staff time to assist with set up and take down of chairs and tables for the event. Waive all facility rental-related

fees, including permit application fee, hourly facility use fees, and facility attendant staffing fees, an estimated value of $755 per City FY 2020-21 Master Fee Schedule. Damage deposit shall not be waived.

3. Upon VFW's submission of an approved facility use application:
   a. Provide a facility use permit for use of in a City facility, such as the Lolly Hansen Senior Center or Tracy Community Center or comparable facility, dependent on staff and facility availability, for 2.5 hours per use, once per month
   b. Waive all facility rental-related fees, including permit application fee, hourly facility use fees, and facility attendant staffing fees, an estimated value of $1,358 per the City FY 2020-21 Master Fee Schedule. Damage deposit shall not be waived.

4. Upon VFW's submission of an approved facility use application:
   a. Provide a facility use permit for use of a City facility, such as the Lolly Hansen Senior Center or Tracy Community Center or comparable facility, dependent on staff and facility availability, for up to eight (8) hours of use, two times per year.
   b. Waive all facility rental-related fees, including permit application fee, hourly facility use fees, and facility attendant staffing fees, an estimated value of $1,206 per the City FY 2020-21 Master Fee Schedule. Damage deposit shall not be waived.

5. Prior to scheduled event dates referenced in A.1. and A.2. above, City staff will blow out and service propane line and nozzle to the flame at War Memorial.

6. Prior to scheduled events referenced in A.1. and A.2. above, City staff will pressure wash granite at War Memorial.

7. Purchase US and Armed Forces flags for the War Memorial at Civic Center Plaza as needed, with financial assistance by VFW.

8. Raise and lower US and Armed Services flags at Civic Center Plaza flag poles and at Veterans Memorial Park per the City's Flag Policy.

9. Provide blank site-standard pavers and install engraved pavers for the Veterans Memorial Park memorial concourse.

10. Notify VFW as needed to pick up flags from collection boxes located at City facilities.

11. Work with VFW to evaluate and fund the potential future display of Armed Forces banners at the War Memorial on a year-round basis.

12. City staff shall post the Prisoner of War Flag under the American Flag located at the War Memorial on a year-round basis.

13. City staff shall display military branch banners at the Civic Center flag poles as per the City resolution authorizing the display of the service flag for each branch

of the US Armed Forces at City Hall for one day annually to commemorate the birthday of each respective branch on the following dates:

a. Army: June 14
b. Coast Guard: August 4
c. Air Force: September 18
d. Navy: October 13
e. Marines: November 10

B. VFW shall:

1. Provide an annual Memorial Day event for the Tracy community.

2. Provide a bi-annual (even-numbered years) Veterans Day event for the Tracy community.

3. Submit a complete facility use and special event application and event layout map for use of the War Memorial and Tracy Community Center a minimum of 60 days and no earlier than 12 months in advance of Veterans Day and Memorial Day event dates. Additional reservation requirements must be submitted a minimum of 30 days in advance of the event date and include, but are not limited to: proof of active non-profit status, current City of Tracy business license.

4. Submit a complete facility use and special event application for use of a City meeting room for each calendar year, for one meeting date per month, a minimum of 60 days in advance of the first meeting date. Additional reservation requirements must be submitted a minimum of 30 days in advance of the event date and include, but are not limited to: proof of active non-profit status, current City of Tracy business license.

5. Submit a complete facility use and special event application for use of a City meeting room for each calendar year, for two community event dates per year, a minimum of 60 days in advance of each event date. Additional reservation requirements must be submitted a minimum of 30 days in advance of the event date and include, but are not limited to: proof of active non-profit status, current City of Tracy business license.

6. Adhere to all City's established facility rental policies and processes outlined in the City's current Facility Reservation Handbook, and submit a signed Acknowledgment Form with each event application. 2020 Handbook attached hereto as Exhibit B and incorporated by reference.

7. Adequately clean any City facilities to acceptable condition after permitted use and facilitate and pay for any repairs to damages caused by such use, other than normal wear and tear, in excess of the damage deposit

8. Provide and conduct adequate fundraising activities to obtain funds needed to ensure ongoing operations of VFW and its ability to fulfill its mission.

9. List the City as an event co-sponsor in all Veterans Day and Memorial Day events hosted by VFW.

10. Apply granite sealant approved by Public Works Director or designee to the War Memorial in Civic Center Plaza annually, in coordination with City staff pressure washing.

11. Serve as point of contact for Veterans Memorial Park memorial paver inquiries. Provide approval or denial of memorial paver applications, and work with approved applicants to engrave pavers, assisting with costs as needed.

12. Monitor, collect, and appropriately retire US flags from collection boxes located in City facilities.

13. VFW Commander will serve as City's first point of contact regarding questions and issues involving veterans.

14. Provide verification and authentication for all requests related to military service, including but not limited to: Gold Star Mothers Killed in Action (KIA) banners, and military-related paver displays.

15. Purchase replacement and new and/or added banners as needed, including but not limited to: Military Moms, KIA banners. Provide financial assistance to City to purchase US and Armed Forces flags.

16. Work with City to evaluate and fund the display of Armed Forces banners at the Memorial on a year-round basis. VFW agrees to contribute $5,000 toward this project.

17. Provide services and support for veterans in distress, in coordination with the City, other government agencies, and community organizations as needed.

18. Maintain, at all times during the term of this Amendment, the following insurance:

    Commercial General Liability Insurance (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than $4,000,000 general aggregate and $2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage. The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an "additional insured."

19. Indemnify, defend, and hold harmless the City (including its elected officials, officers, agents, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) resulting from or arising out of the performance of this MOU by VFW's agents, representatives, contractors, subcontractors, or employees, except to the extent caused by the sole, active negligence or willful misconduct of the City.

20. This agreement shall be subject to any and all policies, regulations, and ordinances of the City.

IV. **TERMINATION**: Either party may terminate this MOU by providing prior written notice to the other party of intention to terminate not less than 90 days prior to actual termination.

V. **TERM**: This term of this MOU shall be from October 20, 2020, through December 31, 2022. City, at the sole discretion of the City Manager or his or her designee, may extend the Agreement in two-year increments.

VI. **MODIFICATIONS.** This Amendment may not be modified orally or in any manner other than by an agreement in writing signed by both parties, in accordance with the requirements of the Agreement.

VII. **SEVERABILITY.** If any term of this Amendment is held invalid by a court of competent jurisdiction, the Amendment shall be construed as not containing that term, and the remainder of this Amendment shall remain in effect.

VIII. **DESIGNATED REPRESENTATIVES**: For the purposes of administering the Agreement, the VFW Commander and the City's Director of Parks & Recreation shall act as representatives for their respective parties.

IX. **AMENDMENTS**: This MOU may only be amended in writing, and the amendment must be approved by City and VFW.

X. **NOTICES:**

CITY

Brian MacDonald
Parks & Recreation Director
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

TRACY VFW

Bob Carpenter, Commander
Tracy VFW
PO Box 1123
Tracy, CA 95376

With a copy to:
City Attorney
333 Civic Center Plaza
Tracy, CA 95376

XI. **ENTIRE AGREEMENT**: This MOU constitutes the entire agreement between the CITY and VFW. Any amendment to this MOU, including oral modification, must be reduced to a writing and signed by both the City and VFW.

XII. **SIGNATURES**: The individuals executing this MOU represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this MOU on behalf of the respective legal entities of VFW and the CITY. This MOU shall inure to the benefit of and be binding upon the parties thereto and their respective successors and assigns.

The parties agree to the full performance of the terms set forth here.

City of Tracy

Tracy, Post No. 1537, Veterans of Foreign Wars of the United States, Department of California, a California non-profit corporation

By: _____
Robert Rickman
Title: Mayor

Date: _____

Attest:

By: _____
Adrianne Richardson
Title: City Clerk

Date: _____

By: _____
Bob Carpenter
Title: Commander

Date: 10/14/2020

By: _____
James McQuillen
Title: Quartermaster

Date: _____

City Business License #_____

Approved as to form:

By: _____
Leticia Ramirez
Title: City Attorney

Date: _____

Attachments

Exhibit A – VFW Task List
Exhibit B – Facility Reservation Handbook

EXHIBIT A - VFW Task List

Item #	Description	Responsible Party	Notes
1	Clean granite at War Memorial before scheduled Veterans Day and Memorial Day events	City	
2	Pressure wash (2x/year) and seal (1x/year) granite at War Memorial	City/VFW	City will pressure wash the granite in advance of VFW applying sealant.
3	Blow out and service propane line and nozzle to flame at Memorial prior to scheduled events	City	
4	Raise and lower flags and banners per City flag policy	City	Includes Veterans Park and City Hall.
5	Review and approve/deny applications for the engraving of pavers at Veterans' Park. Arrange for the engraving.	VFW	City will supply the standard paver. VFW will work with the applicants for verification of eligibility and the engraving, and assist them with costs as needed
6	Monitor, collect and appropriately retire US flags from collection boxes at Boyd Service Center, 520 Tracy Blvd., and City Hall, 333 Civic Center Plaza	VFW	City will contact VFW if box fills prior to VFW checking sites
7	Buy replacement Military Mom's, KIA banners, US flags, etc. as needed	City/VFW	City will buy US flags and Armed Forces anniversary banners as needed. VFW will provide financial assistance with these replacements. VFW will buy replacement banners and purchase new/added banners for Military Mom's, KIA, etc.as needed.
8	Display the Armed Services flags at the War Memorial year-round at such time as funding is identified to do so.	City/VFW	City and VFW will work together to evaluate and fund the display of Armed Forces banners at the Memorial. VFW to contribute $5,000 toward this project.
9	Provide verification/authentication for all requests related to military service, Gold Star Mothers and KIA banners, military-related paver displays, etc.	VFW	

CITY OF TRACY

Facility Reservation Handbook

Effective July 1, 2016

Think Inside the Triangle™

City of Tracy Parks & Recreation Department
Community Facilities Division
333 Civic Center Plaza, Tracy, CA 95376
Phone: (209) 831-6201
Fax: (209) 831-6218
Email: facilityreservations@cityoftracy.org

TABLE OF CONTENTS

Introduction	page 3
General Facility Reservation Procedures	page 4
Facility Booking Policies	page 5
Facility Use Permit Requirements	pages 6-7
Facility Deposits & Use Fees	page 8-9
General Facility Use Policies & Procedures	pages 10-12
Special Permits & Requirements	pages 13-15
Reservable City Facilities	page 16
Cleaning Checklist – Indoor Facilities	page 17
Facility Reservation Handbook Acknowledgement Form	page 19

INTRODUCTION

Thank you for considering the City of Tracy for your next business, family, or personal gathering or event. The City's Parks & Recreation Department, through its Community Facilities Division, administers the allocation and reservation of City-owned and operated indoor facilities and outdoor, park and picnic areas.

The City of Tracy recognizes the importance of providing safe, well-maintained and aesthetically appealing facilities to all users. The policy provided herein reflects this philosophy, as well as the City's desire to provide an outstanding quality of life through park amenities and facilities.

Please carefully review this handbook prior to submitting your request for facility usage, and sign the Acknowledgement Form on the last page of the Handbook to signify that you (and/or the representing organization) have read and understood the information and policy herein.

Contact information for the Community Facilities Division is as follows:

Tracy City Hall
333 Civic Center Plaza
Tracy, CA 95376

City Hall Business Hours:
Monday – Thursday 8:00 am – 6:00 pm
Friday* 8:00 am – 5:00 pm

**City offices are closed every other Friday. Please call ahead for office availability.*

Phone (209) 831-6201
Fax (209) 831-6218
Email facilityreservations@cityoftracy.org

City website: www.thinkinsidethetriangle.com
Online facility reservations (picnic areas only): www.TracyArtsandRec.com

GENERAL FACILITY RESERVATION PROCEDURES

Reservation Requests

Reservation requests must be submitted no later than 30 calendar days prior to the event date. Applications for reservations that do not require further review (see **Special Permits & Requirements**, p. 13) may be accepted within the 30-day window. An ***Approved*** Facility Use Permit is required for all indoor facility reservations, or for exclusive use of a reservable outdoor facility. Additional activities requiring a Facility Use Permit are detailed in TMC 4.16.050.

To hold an available date for a facility reservation or special event on public property, the following must be submitted:

- ☐ **APPLICATION:** Completed Facility Use Application. Application must be submitted by a person twenty-one (21) years of age or older (TMC 4.16.060(b)).
- ☐ **POLICIES ACKNOWLEDGMENT:** Signed Facility Reservation Handbook Acknowledgment Form
- ☐ **APPLICATION FEE:** ***Non-refundable*** Permit Application Fee ($35) or Special Event Application Fee ($77 non-profit/$153 private or commercial)
- ☐ **SECURITY/ALCOHOL DEPOSITS:** Payment of security and alcohol deposits, if applicable

The following requirements are due ***no later than 30 calendar days prior*** to the reservation date:

- ☐ **USE FEES:** Payment of use fees, usually a per-hour rental fee
- ☐ **INSURANCE:** Provide Certificate outlined in insurance requirements
- ☐ **ADDITIONAL REQUIREMENTS:** Submit additional requirements, or supplemental permits, required as conditions of your permit (e.g., copes of City of Tracy business license, ABC license, County Health Permit, security guard contract, vendor contract for inflatable, etc.).

When all requirements have been met, the City will approve and issue a:

- ☐ **FACILITY USE PERMIT:** An ***Approved*** Facility Use Permit status indicates that all reservation requirements and full payment have been submitted and approved.

If the above obligations are not met, the City reserves the right to consider the event cancelled and subject to the stated **Cancellation & Refund Policy**. The City also reserves the right to cancel the contract and release the facility. **Submittal of an application does not guarantee that the reservation request has been authorized.**

Hours of Use

- Reservations may be requested during the following hours. Exceptions may be approved by the Director, or his/her designee, as a condition of the Permit.
  - **Indoor facility hours:** 8:00 am-1:00 am (excluding Transit Station Lobby, Civic Center Lobby)
  - **Outdoor park/facility hours:** 8:00 am to Dusk
- If requesting to set up the night prior to the event in an indoor facility, the reservation will be booked and charged up until 10:00 pm that evening (or the reservation end time, whichever is later), and then starting at 8:00 am the morning of the reservation.
- Reservations on City Holidays are contingent upon staff availability and shall be charged Weekend Rates.

Facility Tours

Facility tours are available during business hours, respecting the privacy of other facility users and renters using the facility, and are based upon staff availability. Contact the Community Facilities Division at (209) 831-6201 or facilityreservations@cityoftracy.org to schedule a 15-minute appointment.

FACILITY BOOKING POLICIES

Rental Classifications

The City has established the following rental classifications:

- **City of Tracy-Sponsored Programs:** Activities organized by the City of Tracy
- **Non-Profit:** Groups that have obtained 501(c)3 status as a charitable organization.
- **Government-Sponsored Events:** A governmental function, which benefits the city of Tracy residents
- **Private:** Individuals or groups holding private events not open to the public.
- **Commercial:** Companies, groups, or individuals holding events (social, business, educational, or profit making) for their own private use.

Allocations & Scheduling

- Requests for use of facilities are addressed on a first-come, first-served and as-available basis according to the following, maximum booking windows:
    - **City-Sponsored Programs:** 18 months prior to event
    - **Non-Profit Organizations & Government Agencies:** 12 months prior to event
    - **Private Groups and Individuals & Commercial Uses:** 10 months prior to event
- Only the designated organization representative(s) listed on the City reservation account or in the Memorandum of Understanding (MOU), or other legal agreement with the City, will be permitted to book facilities for their affiliated organization. Other individuals must receive permission in writing from the organization representative to reserve facilities for the organization, or under the organization's name (see **Authorized Agent**, p. 10).
- The City reserves the right to cancel any event as deemed necessary for the safety of all participants and in the best interest of the facility.
- The City of Tracy will not grant use of its facilities to any individual or group, political or otherwise, that advocates the overthrow of the government of the United States of America or the State of California by force, violence or any other unlawful means; or to any individual or group, political or otherwise, that discriminates because of race, religious creed, color, national origin, ancestry or sex.

Consecutive Booking Policy

- Bookings of large rooms, 1,500 square feet or greater (Tracy Community Center, Civic Center Lobby, Council Chambers, Tracy Transit Station Lobby) and large parks (Dr. Powers, Lincoln, and Veterans Parks) may not to exceed nine (9) bookings within a three (3) month period. Renters are required to complete their first set of bookings prior to renting for an additional period.
- Bookings of small meeting rooms, less than 1,500 square feet, are allowed for as many dates as needed, within a calendar year, for either groups or individuals. Renters may book on a monthly or weekly basis.

Non-Profit Status

An organization's non-profit status must be on file and current in order to qualify for a non-profit priority classification and rental rate. Proof of non-profit status must be submitted no later than 30 days prior to the reservation date. An organization must demonstrate its non-profit status by:

- Being registered as a non-profit business or corporation with the State of California **or** an acknowledged IRS 501(c) organization, **and**
- Maintaining good standing (business entity status "Active") with the State of California Secretary of State's office (http://kepler.sos.ca.gov).

FACILITY USE PERMIT REQUIREMENTS

Facility Use Permit Conditions

- Reservations may not be transferred, assigned, or sublet.
- Applicant is subject to all conditions listed on the Facility Use Permit.
- Requests for activities beyond the scope of a traditional facility reservation must be included as part of the Facility Use Application, and approved activities must be listed as conditions of the Facility Use Permit (see **Special Permits & Requirements,** p. 13).
- Facility users must have a copy of their Facility Use Permit on hand during each reservation and must be prepared to present it to City staff on demand. Facility users without permits may be asked to vacate the facility.
- The City reserves the right, on a case-by-case basis, to add conditions or modifications to the Facility Use Permit.

Permitted Hours

- **Permitted reservation hours must include set-up and clean-up time. Set-up and clean-up are the renter's responsibility.** Users may not access a facility prior to their permitted reservation time, and the facility must be cleaned and vacated by the end time specified in the Facility Use Permit.
- The applicant is responsible to meet all facility clean-up requirements.
- The applicant must be present during the entire reservation. If unavailable, the applicant may authorize another individual, in writing, to act as their representative.
- Fees will not be refunded if actual use time is less than the rental period agreed upon in the Facility Use Permit.
- Supplies and equipment may not be stored in City facilities overnight without prior arrangement and approval, conditions of which shall be listed on the Facility Use Permit. Any items left in or on the property will be held for two (2) business days, after which time, said items will be disposed of at the discretion of City staff. Additional rental, staff, and disposal fees may apply and may be deducted from the security deposit.

Amending the Permit

- Changes to the reservation must be made in writing, a minimum of 3 business days in advance, but in no case later than 12:00 noon on the Wednesday prior to the reservation.
- Changes to a rental date may be considered as a cancellation and re-booking if amendments are made within the ranges of when cancellation fees would be assessed. (See **Cancellation & Refund Policy**, p. 9.)

Insurance Requirements

Insurance must provide protection from claims arising from injuries or damage to other people or property. The following items are required on the insurance certificate, and the endorsement page must be included:

- The certificate of insurance must be submitted no later than 30 calendar days prior to the reservation date.
- Insured's name is the same as listed on the Facility Use Application.
- Minimum of $1,000,000 General Liability Insurance, and $2,000,000 Aggregate.
- Naming of the City of Tracy as "Additional Insured."
- Date, time and location of event.
- If serving and/or selling alcohol, a liquor liability endorsement to the user's general liability is required.
- If selling items of any kind, a product liability endorsement to the user's general liability is required.

continued, next page

- Certificate Holder: City of Tracy/Community Facilities Division
  333 Civic Center Plaza
  Tracy, CA 95376

Grounds for Permit Denial or Revocation

- The City reserves the right to deny an allocation request in order to accommodate a City-sponsored/co-sponsored program or special event.
- The City of Tracy reserves the right to refuse to grant the use of its facilities to any person or group if such use is deemed to be contrary to the best interest of the City and/or its residents.
- A request may be denied, or a permit cancelled, on the grounds that the applicant has previously had a Facility Use Permit revoked in the City of Tracy or another jurisdiction for violation of permit conditions, or failure to fulfill any use requirement by the established deadline, including, but not limited to, the payment of facility fees or extra fees.
- Permits may be cancelled for failure to adhere to policies outlined in the Facility Reservation Handbook, as presented herein, or as contained in the Tracy Municipal Code. **Failure to uphold conditions of an approved Permit may result in immediate revocation of the Permit, with no refund of use fees.**

Appealing Permit Denial or Revocation

Applicants shall have the right to appeal to the Parks and Community Services Commission a permit denial, permit condition, the Director's refusal to waive the filing deadline, or the Director's decision pertaining to fees or insurance coverage. Notice of appeal shall be filed with the Director stating the grounds for appeal.

The appeal must be filed no later than 12:00 noon on Thursday, a week preceding the Parks and Community Services Commission meeting, to be placed on the next regular meeting's agenda. Regular meetings of the Parks and Community Services Commission are scheduled on the first Thursday of each month, at 7:00 p.m. inside of City Hall Council Chambers. The decision of the Parks and Community Services Commission may be appealed to the City Council which has final authority.

FACILITY DEPOSITS & USE FEES *(Adopted July 1, 2016)*

Security and Alcohol Deposits
A Security Deposit is required to reserve any indoor City facility and is due at time of booking. An additional Alcohol Deposit is required to reserve an indoor or outdoor City facility when alcohol will be served/ sold.

All deposits are fully refundable three to four weeks after the event if the following criteria are met:

- There is no damage to the facility.
- There is no additional City staff time required to clean or repair the facility as a result of the event.
- The cleaning of the facility is completed per the checklist.
- The hours of use do not exceed those paid for and agreed upon in the rental contract.
- Only the rooms designated on the rental contract were used.
- Police or City staff intervention was not required as a result of the event.

Facility security deposits may be waived by the department for membership, public or business meetings conducted by local non-profit organizations or other governmental agencies, when no other activities are being conducted in association with said meeting.

Indoor Facility Fees
See individual facility information sheets for user fees, amenities, and requirements. Reservations on City Holidays are contingent upon staff availability and shall be charged Weekend Rates. Weekend rates begin on Fridays at 5:00 pm. If requesting to set up the night prior to the event, the reservation will be charged up until 10:00 pm that evening (or the reservation end time, whichever is later), and starting at 8:00 am the morning of the reservation.

	Security Deposit	**Additional Alcohol Deposit**
Entire Community Center/ Main Rooms	$472	$472
Conference/Meeting Rooms	$236	$472

Extra Dumpster Disposal Fee (required for crab feeds)	$100 / rental / dumpster

Park & Picnic Area Fees
For information on reserving sports fields, request a copy of the **Sports Field Reservation Handbook**. For information on reserving sports courts, including tennis courts, see the Sports Courts information sheet.

A security deposit is required for any event with alcohol, approved inflatable(s), and non-traditional activities. Fees related to supplemental permit applications, such as tent and generator permits, may also apply.

Estimated Attendance	**Security Deposit**
Fewer than 50 + traditional picnic activities	N/A
50-100; or less than 50 + non-traditional picnic activities	$112
101 to 200 attendees	$224
201 to 300 attendees	$336
301 or more attendees	$559

Inflatable Structures Administrative Fee	$50 / day / structure
Mobile Stage Rental Fee (non-profits only)	$350 / day

	Hourly Rate (minimum booking hours apply)		
Group Classification	**1-50 People**	**51-100 People**	**101+ People**
Non-Profit (Max $108/day)	$15	$21	$28
Private	$26	$37	$49
Commercial	$37	$54	$70

Facility Use Fee Classifications

Non-profit/government, private, and commercial rates are available. "Commercial" rates apply for any activity conducted in or on a City facility where monies are collected for the specific purpose to financially benefit an individual, business, or organization; non-profit corporations are excluded.

Payments

- Non-refundable Permit Application Fee, refundable Security Deposit, and Alcohol Deposit (if applicable) are due upon submittal of Facility Rental Application.
- The balance of all use fees is due no later than thirty (30) calendar days prior to reservation.
- Payments accepted include: American Express, Discover, MasterCard, Visa, check, cash.
- Personal checks will ***not*** be accepted on behalf of a non-profit, for-profit, or commercial organizations. Checks must be issued by the associated organization.
- Payment plans are available by request, as approved by the Director or his/her designee.
- **If payments are not made on time, facilities may be released, and the reservation may be subject to the Cancellation and Refund Policy.**

Cancellation & Refund Policy

Cancellation fees are determined by the date the City receives written notification by the responsible party listed on the Facility Rental Permit of their intent to cancel the event. Upon receipt of the written cancellation request, the refund, if applicable, will be processed as follows:

	NUMBER OF DAYS PRIOR TO EVENT				
	90 Days or More	**89-61 Days**	**60-31 Days**	**30-15 Days**	**14 Days or Less**
Entire Community Center/ Main Rooms	No penalty	50% of fees held	75% of fees held	100% of fees held	100% of fees held
Conference/Meeting Rooms	No penalty	No penalty	No penalty	50% of fees held	50% of fees held
Park & Picnic Areas	No penalty	No penalty	No penalty	50% of fees held	50% of fees held

Cancellation fees and designated percentages are calculated from the rental fee listed in the Facility Use Permit. Any fees assessed on cancelled events will be deducted from the security deposit, if fees have not been paid. Deposits and rental fees will be refunded in the same form of payment (cash payments are refunded by check), within four (4) weeks of the final permit date.

Exception: If the event is cancelled by the permit holder or the City due to inclement or extreme weather conditions, a full credit will be issued to the permit holder's account to apply to another park/picnic area use within 12 months of the permitted date.

GENERAL FACILITY USE POLICIES & PROCEDURES

Audio/Visual Equipment
The following audio/visual amenities are included with the facility reservation. The permit holder is responsible for all A/V system set-up during the reservation and must provide additional equipment, including but not limited to: laptop, speakers, and connector cables.

Tracy Civic Center (City Hall)
- Council Chambers: Projector and screen
- Room 203: Projector and screen

Tracy Community Center
- Main Hall: Lectern with microphone, projector screen

Tracy Transit Station
- Room 103: Portable projector (subject to availability only) and screen
- Room 104: Portable projector (subject to availability only) and screen
- Room 105: Projector and screen

Authorized Agent
An applicant representing an organization renting a City facility is required to provide a letter from the agency or organization, on official letterhead, specifically authorizing the individual to conduct business with the City of Tracy to reserve a facility on the organization's behalf, and signed by the individual listed on the business license, a titled officer, or designated signatory.

Cleaning Requirements
See **Cleaning Checklist** at end of this Handbook.

Damages
The applicant agrees to reimburse the City for all costs incurred in repairing damages including, but not limited to, the facility, furnishings, fixtures, grounds, and/or additional cleaning required outside of the normal scope for said facility maintenance, including sidewalk steam cleaning and street sweeping if needed, which occurred in connection with the permitted activity and caused by the renter, sponsoring organizations and/or attendees. Reimbursement for such expenses that are in excess of the security deposit will be invoiced to the renter. Said costs must be paid to the City within thirty (30) days of receipt of the invoice. Failure to meet this deadline may be cause for legal action. The renting party will be responsible for any costs incurred by the City for such legal action and/or any costs to collect on any judgment against that party.

Decorations
- Tacks, nails, screws, duct tape and scotch tape are not permitted on walls, tables, trees, park poles and amenities, standards, etc. Painter's tape and removable, self- stick hooks are permissible.
- No decorations are allowed which would damage or discolor the facility or grounds.
- Any special decorations, activities, or amenities must have the written approval of the Parks & Recreation Department.
- All decorations must be non-combustible or non-flammable material, or shall be treated or maintained in a flame-retardant condition.
- Open flames or candles (with the exception of small birthday candles) are not allowed inside any facility.

- All streamers, balloons, signage and other decorations must be removed from the facility and properly disposed of immediately after the event. Fees may be withheld from the deposit if City staff time is required to remove or dispose of any remaining decorations.
- Decorations may not be hung from the room dividers at the Tracy Community Center.

Event Promotion
City staff will not distribute or promote information on rentals and uses held in City facilities. Therefore, ensure fliers, advertisements and other promotional materials list the renter's contact phone number. Applicant must provide copies of all event fliers and/or advertisements, as well as website links for events held at City facilities.

Floor Layout Plan
Applicants with indoor facility reservations with 50 attendees or greater must submit a floor layout plan for approval, including decorations plan and extra amenities, to ensure all safety codes and regulations are adhered to. The City reserves the right to place additional requirements on the Facility Use Permit.

Food Preparation and Warming
Where applicable, the kitchens are to be used for the warming of food and minor preparation only. Per State and County Health Code regulations, full meal preparation is not allowed. Any food/beverage items left on site will be disposed of immediately following the rental period as indicated on the contract. Fees may be withheld from the deposit if City staff time is required to dispose of any leftover food or trash.

The use of chafing dishes for the warming of food will be approved provided the following conditions are met:

- Paper and plastic table coverings shall not be used.
- There are no combustible decorations within 10 feet of the food warming table, including wall hung curtains, drapes or decorations.
- There are no combustible napkins, plates, cups (paper, plastic or cloth) placed on the serving table or within 10 feet of the chaffing dishes.
- All open flame canisters for the chafing dishes must be firmly affixed to the chaffing dish and supported above the serving table surface.
- No open flame for cooking is to take place within the occupancy.
- NOTE: Additional conditions apply and shall be imposed for food preparation and warming in proximity to tents and other membrane structures. (See **Tents / Booths / Canopies**, p. 15.)

Good Neighbor Policy
Please arrive quietly and depart in the same manner to avoid disrupting the neighborhood. Balls and /or any other equipment thrown, batted, kicked, or otherwise propelled that land on private property are not to be retrieved without permission of property owner. Do not climb walls or enter gates to gain access onto private property. For assistance, contact the Facility Attendant.

Inappropriate Behavior
Any type of indecent exposure including public urination or any other inappropriate exposure will not be tolerated. The Tracy Police Department will be contacted immediately should individuals become unruly and further enforcement is needed.

Live Animals
Live animals are not allowed inside City buildings with the exception of service animals and Police canines. Owners are responsible for cleaning up after their service animals. Permit holders must indicate a designated waste area for service animals attending their event.

Animals must be leashed at all times at City parks and sports fields. Animals may not access sports fields while games are in play. Farm animals of any type are not allowed on/in public facilities to include public buildings, grounds and parking lots. This includes, but is not limited to, horses and ponies.

Parking & Overnight Policy
Parking is restricted to designated areas only. Parking large vehicles such as RVs, moving trucks and tractor-trailer trucks on City property is prohibited. Vehicles are not permitted to be parked on the grass or sidewalks. Damage done to City property or a facility as a result of a vehicle will be charged against the Security Deposit.

Unless the Permit expressly allows it, no overnight parking of vehicles in City parking lots is allowed at any time (this includes RVs and other camper vehicles). Individuals or organizations cannot charge or collect revenue for the use of public parking.

Police Enforcement
If a renter refuses to comply with City Facility Reservation Policies or follow the request of a City staff member, the Tracy Police Department Dispatch will be notified for assistance. For your own convenience, in the case of an emergency, the Tracy Police Department Dispatch can be reached at (209) 831-4552.

Smoking
Smoking is not permitted inside City facilities. State Law GC 7597(a) states: "No public employee or member of the public shall smoke any tobacco product inside a public building, or in an outdoor area within 20 feet of a main exit, entrance, or operable window of a public building, or in a passenger vehicle, as defined by Section 465 of the Vehicle Code, owned by the state."

Temperature Control
Temperature at the Tracy Community Center and Civic Center (City Hall) are centrally controlled and can only be adjusted 2 degrees in either direction from the thermostat at the location. Thermostat control is not available at the Transit Station. Contact the on-duty Facility Attendant for assistance or concerns.

SPECIAL PERMITS & REQUIREMENTS

The following items may require further review and approval from multiple City departments, and therefore require an advanced written request to process. Upon approval, City staff will add approved item(s) as a condition(s) of the Facility Use Permit.

Alcohol Permit/ABC License
Possession or consumption of alcohol is prohibited in all City parks and facilities without a Facility Use Permit and Alcohol Deposit on file. Tracy Municipal Code 4.16.050(f) provides guidelines regarding the possession of or consumption of any alcoholic beverage in designated City parks and facilities. The following criteria have been established by the Parks and Community Services Commission by which permits will be granted or denied:

- Not allowed in locations that are adjacent to schools (TMC 4.16.180(s))
- Restricted to sites with restroom facilities on site
- Not to exceed six (6) hours total facility usage
- Glass beverage containers are not allowed within the boundaries of any park (TMC 4.16.180(r))
- Restricted to beer and wine; distilled spirits are not permitted at any time
- Must have a park permit and alcohol deposit on file

Alcohol served and/or sold at a function held in a City facility requires an Alcohol Deposit and a Host Liquor Liability endorsement to the user's General Liability insurance.

Alcohol sold by any means (selling tickets, cost in admission price, donations, or charging a sponsor fee) also requires the user to obtain a City of Tracy Business License and an Alcoholic Beverage Control (ABC) Liquor License. Both requirements must be on file with the Community Facilities Division prior to the renter being issued an Approved Facility Use Permit with alcohol permit condition. Security guards are required as a condition of an ABC license, 1 security guard per 100 guests. (See **Security Guards**, p. 15.)

Amplified Sound
A permit is required for use of amplified sound in a park. The Director, upon granting a permit for use of any amplified sound system, may impose reasonable restrictions concerning the location of the sound system, and the maximum decibel level for the sound system (TMC 4.16.150). (See **Facility Electrical Access**, p. 14.)

BBQ Grills / Cooking Trailers
BBQs are designated and supplied by the City, and are located near the Picnic Areas. Use of private BBQs is not permitted. Requests to use a larger BBQ cooking trailer must be submitted in writing or on the rental application. Such requests will require a detailed Event Map, including trailer location and description of fuel source, size and type. Approved BBQ cooking trailers must be placed in an approved designated area at least 20 feet from the nearest tent or structure and supervised at all times to prevent injury to bystanders. BBQs and cooking trailers are not permitted on the premises of the Tracy Transit Station.

Channel 26 Filming
Requests for Channel 26 to film an event must be noted on the facility application and are subject to staff availability and additional fees. To discuss your specific filming needs and obtain a quote for services, contact Channel 26 directly at (209) 831-6220 or channel26@ci.tracy.ca.us.

Concessions & Merchandise Sales
The sale of items in any City park is prohibited without a permit from the Community Facilities Division. Facility

users interested in selling merchandise or food and beverage items at their event held at a City park or facility must request authorization to do so in writing, obtain a permit from the Community Facilities Division, obtain a City of Tracy Business License (TMC 4.16.140), and obtain a product liability endorsement as part of the insurance certificate. (See **Vendors**, p. 15.)

The City may deny a permit application if the sole purpose of the activity is advertising or sale of any product, goods, wares or merchandise and is designed to be held for private profit and not for First Amendment expression (TMC 4.16.090(i)).

County Health Permit
If you are selling or serving food to the general public, and you are not cooking in an approved kitchen, including the Tracy Community Center, you may be required to obtain a County Health Permit. A Temporary Event Health Permit Application can be obtained from the San Joaquin County Environmental Health Department website: http://www.sjcehd.com/docs/TEMPORARY%20EVENT%20APPLICATION.pdf

Event Map
If an event is expected to have more than 100 attendees and/or is intended to utilize areas of the Park, not considered to be the picnic area, an event layout map is required, which requires additional time to process. The City reserves the right to place additional requirements on the event use permit.

Facility Electrical Access
Any and all access to City electrical units must be requested in writing from the Community Facilities Division. The City reserves the right to impose restrictions on electrical access due to outlet load capacities. Approved access and capacity will be noted on the Facility Use Permit.

Generators
Applicant must specify the size, type, and intended location of each generator to be used. The City reserves the right to impose restrictions on use and placement of equipment. Some generators may require an additional permit application and fees.

Inflatable Structures
The Parks and Community Services Commission has established that the erection or placement on park property of portable and inflatable structures is allowed by permit and at the following, designated parks only: Dr. Powers Park, Galli Family Park, Hoyt Park, Lincoln Park, Veterans Park, and Zanussi Park. Applicant must use a vendor from the City's Approved Provider List only to reserve inflatable play equipment, and shall provide written proof of contract. Inflatable shall not remain in the park past the approved, permitted time. Applicant must sign additional **Inflatable Structures Policy**.

Mobile Stages
Size, type, and placement of any mobile stage or platform must be approved by the City as a condition of the permit. Rental of the City's Mobile Stage is available to non-profit organizations only, and is subject to availability.

Recycling Program/Bins
The City of Tracy has adopted a Special Events Recycling program to assist the city to meet mandatory recycling goals. Groups conducting large public events in city parks are requested to contact the City's Recycling Coordinator at (209) 831-6300 to obtain a copy of the program and develop a recycling plan for their event. The City can also provide portable recycling bins to be used during special events and/or park rentals. The applicant agrees to reimburse the City for all costs incurred by it due to damage or replacement of equipment. It is the

renter's responsibility to dispose of the recyclables, and any and all proceeds received from such disposal are the property of the renter.

Security Guards
Security guards may be required as a condition of a Facility Use Permit at the discretion of the Tracy Police Department. Events requiring an ABC license for alcohol must have one security guard per 100 attendees. Applicant must include a copy of the security guard contract with facility application packet.

Street Closures
Street closures are not permitted for private events on public streets. Requests for street closure for parades, fun runs, and other special events will be considered on a case-by-base basis, are contingent upon Transit schedule and needs, and may be subject to additional fees and conditions as determined by the City. There are three City-approved, downtown parade routes: Short, Standard, and Long. Processions generally do not require street closures but require a permit and may be subject to additional permit conditions.

Tents / Booths / Canopies
All Events with tents or canopies are required to complete an additional form. Tents are defined as having walls; canopies are defined as having no walls. Tents larger than 400 square feet, and canopies larger than 700 square feet will require a Tent Permit and inspection by Tracy Building and Fire Prevention on the day they are set up (additional permit application and fees may apply). Tents and canopies must be adequately weighted; no grass stakes permitted. Tents must be 20 feet from permanent buildings and structures, parking areas, lot lines, generators, and BBQs.

Vehicle Access
No vehicles may be driven on sports fields or parks without a City-issued Vehicle Access Permit, including golf cart or mule-type vehicles. Additionally, it is unlawful to ride or drive any horse or other animal or any motorized vehicle, cycle, go-cart or scooter other than on the roads or drives provided for such purpose (TMC 4.16.180(l)).

A request must be submitted in writing to the Community Facilities Division, and upon approval, specific conditions of vehicle access and applicable fees will be added to your permit. **Approved requests will be restricted to loading and unloading ONLY**, and a limited number of "Temporary Access Passes" will be issued for the event. The pass must be displayed on the dashboard of the vehicle at all times while in the park or open space and is valid only for the date, time, location and event as indicated on the pass. Violators will be cited and fined appropriately.

Vendors
If you would like to host a vendor(s) during your rental, submit a written request to the Community Facilities Division. Each vendor must be in possession of a business license and liability insurance. Additional conditions may apply to food vendors. **Tents/Booths/Canopies** policy applies. (See **Concessions & Merchandise Sales**, p. 13.)

The City may deny a permit application if the sole purpose of the activity is advertising or sale of any product, goods, wares or merchandise and is designed to be held for private profit and not for First Amendment expression (TMC 4.16.090(i)).

RESERVABLE CITY FACILITIES

Indoor Facilities
See individual facility information sheets for fees, amenities, and requirements.

Tracy Civic Center (City Hall), 333 Civic Center Plaza
- Lobby (additional conditions and restrictions apply)
- Council Chambers
- Conference Room 109
- Conference Room 203

Tracy Community Center, 950 East St.
- Entire Facility (required for weekend rentals)
- Main Hall
- Conference Rooms A and B

Tracy Sports Complex, 955 Crossroads Dr.
- Meeting Room

Tracy Transit Station, 50 E. Sixth St.
- Entire Facility
- Room 103 or Room 104
- Combo Room 103/104
- Room 105
- Lobby (hour restrictions apply)
- Outside Patio

Outdoor, Park & Picnic Areas

Large Parks and Outdoor Areas:
- Civic Center Outdoor Area (Park/Amphitheatre/Fountain/Patio), 333 Civic Center Plaza
- Dr. Powers Park*, 900 W. Lowell Ave.
- Lincoln Park*, East St. & Eaton Ave.
- Veterans Park*, 238 Glenhaven Dr.

Other Reservable Parks:
- Bland Park, 1753 Blandford Ln.
- Ceciliani Park, Cypress & Hickory
- Galli Park*, 2341 W. Lowell Ave.
- Hoyt Park*, 300 3rd St.
- Kenner Park, 1850 Kavanagh Rd.
- Larson Park, Central & Ferdinand
- Talley Park, 1551 Dove Ct.
- Thoming Park, 100 Cambridge Place
- Zanussi Park*, 1500 Promenade Cir.

* Inflatable Play Structures/Jump Houses permitted at these locations only. Additional fee, security deposit and insurance requirements apply.

CLEANING CHECKLIST – INDOOR FACILITIES*

Check off each item completed, and give list to Facility Attendant at check-out time.

Facility/Room: _____ **Permit #** _____

		Renter (✓)	City Staff (✓)
ALL MAIN ROOMS AND MEETING ROOMS			
Decorations removed from all walls and ceilings and properly disposed of at the completion of the function.			
Balloons removed from ceilings.			
Tables and chairs free of all tape and strings, wiped off, stacked neatly, and returned to storage area.			
	Tracy Community Center: Maximum 5 chairs per rack, 8 stacked tables, stored according to posted diagram.		
	Tracy Sports Complex Meeting Room: Chairs and tables stored according to posted diagram.		
	Tracy Transit Station: 103 and 104: Return 10 tables, 32 chairs to EACH; 105: 11 tables, 60 chairs. Refer to back of check-in/out sheet for current amenities.		
A/V equipment returned to proper location, if applicable.			
Floor dust mopped, and wet mopped (hot water only) where needed.			
Hallways and lobby cleaned of all food and trash.			
Carpets vacuumed.			
All personal items, supplies and equipment removed from the facility.**			
All debris around exterior of building (walkways and planted areas) disposed of properly.			
All trash bagged and placed inside the dumpster located outside of the facility.			
Return thermostat to neutral position or original temperature.			
Storage closets locked and secured.			
All lights turned off.			
ALL doors to outside locked and secured.			
RESTROOMS			
Restrooms cleaned of all trash; toilets flushed.			
KITCHEN FACILITY			
All dishes/utensils/tableware removed from facility.			
Stovetop and ovens cleaned.			
Stove and oven turned OFF.			
All food removed from oven and refrigerator.			
Refrigerator wiped clean, inside and out.			
Microwave wiped clean, inside and out.			
All sinks scrubbed and cleaned; disposal sink emptied.			
All counter tops cleaned.			

Rev. 063016

**** The renter is expected to provide their own cleaning supplies to clean the facility.*** *The City will furnish paper towels, bathroom tissue, plastic garbage bags, broom, mop, vacuum and bucket. If emergency maintenance or other assistance is required during non-business hours, call the Facility Attendant on duty at (209) 640-2733.*

*** Any items left in or on the property will be held for (2) business days, after which time, said items will be disposed of at the discretion of City staff. Additional facility use, staff, and/or disposal fees may apply.*

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF TRACY FACILITY RESERVATION HANDBOOK ACKNOWLEDGEMENT FORM

I, _____, have read and understood the policies and procedures contained in the City of Tracy Facility Reservation Handbook, and agree to abide by them. I understand that failure to adhere to these policies may result in forfeiture of the deposit and any fees that I have paid. I have retained a copy of the Handbook for my reference and will share the information contained in the Handbook with the individuals and/or organization that I represent.

In addition to the policies and procedures listed in this Handbook, all functions conducted on/in City facilities must abide by the Tracy Municipal Codes as listed in Sections 4.16 and 4.40. A complete list of Municipal Codes is located on the City of Tracy web site at www.ci.tracy.ca.us.

I understand that the City of Tracy cannot anticipate every situation that may occur, nor can it anticipate all questions regarding a particular policy and that the City reserves the right to amend these policies as necessary. I have clarified any questions I have regarding these policies prior to executing this Acknowledgement.

I understand that the City of Tracy has the right to stop all usage, cancel and/or revoke my Facility Use Permit, if a violation of the policies and procedures contained in the Handbook are made by me, another organization representative(s), or an event or meeting attendee.

_____

Event Title Event Date

_____

Printed name of facility user

_____

Signature of facility user Today's Date

_____

Name of organization (if applicable)

RESOLUTION 2020-_____

APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF TRACY AND TRACY, POST NO. 1537, VETERANS OF FOREIGN WARS OF THE UNITED STATES, DEPARTMENT OF CALIFORNIA

WHEREAS, Since 1938, Tracy, Post No. 1537, Veterans of Foreign Wars of the United States, Department of California (Tracy VFW) was established to accomplish the VFW's mission "To foster camaraderie among United States veterans of overseas conflicts. To serve our veterans, the military and our communities. To advocate on behalf of all veterans," and

WHEREAS, Tracy VFW provides, or has provided, funding and services to the City of Tracy (City), its veterans, and its residents to maintain flags and banners at Civic Center Plaza and the Tracy War Memorial; coordinates the veterans paver program at Veterans Memorial Park; and hosts two annual veterans events for the community, and

WHEREAS, To formalize the responsibilities of both the Tracy VFW and the City in regards to veterans services and events, and to be transparent about the exchange of services and use of City facilities, the Tracy VFW has requested to enter into a Memorandum of Understanding (MOU) with the City;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Tracy hereby approves the Memorandum of Understanding (MOU) between the City of Tracy and Tracy VFW.

* * * * * * * * * * * * * * * * * * * *

The foregoing Resolution 2020-_____ was adopted by Tracy City Council on the 20th day of October 2020, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

_____
MAYOR

ATTEST

_____
CITY CLERK

October 20, 2020

AGENDA ITEM 1.F

REQUEST

APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH INDIGO | HAMMOND + PLAYLE ARCHITECTS, LLP, OF DAVIS, CALIFORNIA FOR AN UPDATE TO THE PUBLIC SAFETY MASTER PLAN (CIP 71108) FOR A NOT-TO-EXCEED AMOUNT OF $176,500

EXECUTIVE SUMMARY

This is a request for approval of a Professional Services Agreement (PSA) for the update to the 2013 Public Safety Master Plan.

DISCUSSION

The 2013 Public Safety Master Plan was prepared under a PSA with Indigo | Hammond & Playle Architects, LLP, in 2013. Since that time, the City has experienced significant development and population growth, requiring an update to the Citywide Public Safety Master Plan.

The Citywide Public Safety Master Plan Update is a planning level document that will provide an assessment of current and future public safety needs in the City of Tracy and the City's sphere of influence. The update will reflect changes and refinements of existing planning areas and create a 20 to 30 year vision for its Fire Department and Police Department. The Public Safety Master Plan does not include City Public Facilities, which are covered under separate master plan documents.

Prior to embarking on the tasks to be performed under this Scope of Work, the consultant will meet with City Staff to finalize a detailed work plan and schedule and identify all information to be provided by City Staff. The work plan shall include, but not be limited to, the following items:

- Evaluate current land use plan and verify long-range land use plan assumptions
- Assess and document existing conditions of all City safety facilities, including police and fire equipment
- Perform interviews with key police and fire staff
- Identify facility user demands and provide projections for future needs and demands
- Identify growth factors and staff projections
- Identify any key problems associated with the use of current facilities, lack of facilities, overuse of facilities, lack of resources and problems affecting the utilization of the City's public facilities
- Prepare facility concept layout plans for each facility and alternative analysis
- Identify and prioritize alternative solutions to key problems identified
- Develop workplace planning and design guidelines for all City facilities
- Identify space standards and space needs projections

- Develop guidelines for energy efficiency and environmental sustainability methods that meet federal and state guidelines
- Develop cost estimates for all new facilities and upgrades
- Develop specific recommendations and alternatives
- Develop phasing and implementation strategies to implement the Master Plan recommendations
- Coordinate input with stakeholders
- Develop Capital Improvement Program for Public Safety Facilities

On June 1, 2020, the City issued a Request for Proposals (RFP) for the Public Safety Master Plan Update. Proposals were received from the following consultants:

- Indigo | Hammond & Playle Architects, LLP, Davis, CA
- Dewberry Architects, Inc., Sacramento, CA

Staff determined that the proposal from Indigo | Hammond & Playle Architects of Davis, California was the most responsive to the City's needs. After detailed negotiations with the consultant, a PSA with a not-to-exceed cost of $176,500 was agreed upon.

STRATEGIC PLAN

This agenda item is a routine operational item and is not related to the Council's Strategic Plans.

FISCAL IMPACT

The total Project budget for the Public Safety Master Plan Update, CIP 71108, is $420,000. There are sufficient funds available within this Project for the PSA.

RECOMMENDATION

Staff recommends that the City Council, by resolution, approve a Professional Services Agreement with Indigo | Hammond & Playle Architects, LLP, of Davis, California, with a not-to-exceed amount of $176,500, for the Public Safety Master Plan Update, CIP 71108.

Prepared by: Ilene Macintire, PE, Senior Civil Engineer

Reviewed by: Robert Armijo, PE, City Engineer / Assistant Director of Development Services
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – PSA with Indigo, Hammond & Playle Architects

CITY OF TRACY
PROFESSIONAL SERVICES AGREEMENT WITH
INDIGO | HAMMOND + PLAYLE ARCHITECTS, LLP,
FOR THE CITYWIDE PUBLIC SAFETY MASTER PLAN, CIP 71108

This Professional Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and Indigo | Hammond + Playle Architects, LLP, a California Limited Liability Partnership (**Consultant**). City and Consultant are referred to individually as "Party" and collectively as "Parties."

Recitals

A. City desires to retain Consultant to specialized in public safety facilities analysis and master planning and to provide professional services for the completion of an update to the City of Tracy's Citywide Public Safety Master Plan, CIP 71108.services; and

B. On May 29, 2020, the City issued a Request for Proposals (RFP) for a qualified Architecture consulting firm or Civil Engineering firm, specializing in public facilities analysis and master planning to provide professional services for the completion of an update to the City of Tracy's Citywide Public Safety Master Plan. On June 12, 2020, Consultant submitted its proposal for the Project to the City. City has determined that Consultant possesses the skills, experience and certification required to provide the services.

C. After negotiations between the City and Consultant, the Parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement.

D. This Agreement is being executed pursuant to Resolution No. ____ approved by Tracy City Council on October 20, 2020.

Now therefore, the Parties mutually agree as follows:

1. Scope of Work. Consultant shall perform the services described in Exhibit "A" attached and incorporated by reference. The services shall be performed by, or under the direct supervision of, Consultant's Authorized Representative: Bruce Playle. Consultant shall not replace its Authorized Representative, nor shall Consultant replace any of the personnel listed in Exhibit "A," nor shall Consultant use or replace any subcontractor or subconsultant, without City's prior written consent. A failure to obtain the City's prior written consent for any change or replacement in personnel or subcontractor/subconsultant may result in the termination of this Agreement.

2. Time of Performance. Time is of the essence in the performance of services under this Agreement and the timing requirements set forth shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Consultant shall begin performance, and shall complete all required services no later than the dates set forth in Exhibit "A." Any services for which times for performance are not specified in this Agreement shall be started and completed by Consultant in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the Consultant. Consultant shall submit all requests for time extensions to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.

2.1 Term. The term of this Agreement shall begin on October 6, 2020 and end on December 31, 2021, unless terminated in accordance with Section 6. This Agreement may be extended for an additional one year by the City Manager following a written determination that Consultant has satisfactorily met all the requirements of this Agreement.

3. Compensation. City shall pay Consultant on a time and expense basis, at the billing rates set forth in Exhibit "B," attached and incorporated by reference for services performed under this Agreement.

3.1 Not to Exceed Amount. Consultant's total compensation under this Agreement shall not exceed $176,500. Consultant's billing rates shall cover all costs and expenses for Consultant's performance of this Agreement. No work shall be performed by Consultant in excess of the total compensation amount provided in this section without the City's prior written approval.

3.2 Invoices. Consultant shall submit monthly invoice(s) to the City that describe the services performed, including times, dates, and names of persons performing the services.

3.2.1 If Consultant is providing services in response to a development application, separate invoice(s) must be issued for each application and each invoice shall contain the City's designated development application number.

3.2.2 Consultant's failure to submit invoice(s) in accordance with these requirements may result in the City rejecting said invoice(s) and thereby delaying payment to Consultant.

3.3 Payment. Within 30 days after the City's receipt of invoice(s), City shall make payment to the Consultant based upon the services described on the invoice(s) and approved by the City.

4. Indemnification. Consultant shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Consultant's performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence or willful misconduct of the City.

In this section, "City" means the City, its officials, officers, agents, employees and volunteers; "Consultant" means the Consultant, its employees, agents and subcontractors; "Claims" includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses) and any allegations of these; and "Arising out of" includes "pertaining to" and "relating to".

(The duty of a "design professional" to indemnify and defend the City is limited to claims that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the design professional, under Civ. Code § 2782.8.)

The provisions of this section survive completion of the services or the termination of this Agreement, and are not limited by the provisions of Section 5 relating to insurance.

5. Insurance. Consultant shall, throughout the duration of this Agreement, maintain insurance to cover Consultant, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.

5.1 Commercial General Liability (with coverage at least as broad as ISO form CG 00 01 01 96) "per occurrence" coverage shall be maintained in an amount not less than $4,000,000 general aggregate and $2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

5.2 Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for "any auto") "claims made" coverage shall be maintained in an amount not less than $1,000,000 per accident for bodily injury and property damage.

5.3 Workers' Compensation coverage shall be maintained as required by the State of California.

5.4 Professional Liability "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Consultant in an amount not less than $1,000,000 per claim.

5.5 Endorsements. Consultant shall obtain endorsements to the automobile and commercial general liability insurance policies with the following provisions:

5.5.1 The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."

5.5.2 For any claims related to this Agreement, Consultant's coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

5.6 Notice of Cancellation. Consultant shall notify the City if the policy is canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation. Consultant shall immediately obtain a replacement policy.

5.7 Authorized Insurers. All insurance companies providing coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

5.8 Insurance Certificate. Consultant shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City, before the City signs this Agreement.

5.9 Substitute Certificates. Consultant shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

5.10 Consultant's Obligation. Maintenance of insurance by the Consultant as specified in this Agreement shall in no way be interpreted as relieving the Consultant of any responsibility whatsoever (including indemnity obligations under this Agreement), and the Consultant may carry, at its own expense, such additional insurance as it deems necessary. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

6. Termination. The City may terminate this Agreement by giving ten days' written notice to Consultant. Upon termination, Consultant shall give the City all original documents, including preliminary drafts and supporting documents, prepared by Consultant for this Agreement. The City shall pay Consultant for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

7. Dispute Resolution. If any dispute arises between the City and Consultant that cannot be settled after engaging in good faith negotiations, City and Consultant agree to resolve the dispute in accordance with the following:

7.1 Each Party shall designate a senior management or executive level representative to negotiate the dispute;

7.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

7.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

7.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

7.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

7.6 The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

8. Ownership of Work. All original documents prepared by Consultant for this Agreement, whether complete or in progress, are the property of the City, and shall be given to the City at the completion of Consultant's services, or upon demand from the City. No such documents shall be revealed or made available by Consultant to any third party without the City's prior written consent.

9. Independent Contractor Status. Consultant is an independent contractor and is solely responsible for the acts of its employees or agents, including any negligent acts or omissions. Consultant is not City's employee and Consultant shall have no authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation, unless the City provides prior written authorization. Consultant is free to work for other entities while under contract with the City. Consultant, and its agents or employees, are not entitled to City benefits.

10. Conflicts of Interest. Consultant (including its employees, agents, and subconsultants) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. If Consultant maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Consultant's conflicting interest.

11. Rebates, Kickbacks, or Other Unlawful Consideration. Consultant warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful consideration either promised or paid to any City official or employee. For breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

12. Notices. All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:

City of Tracy
Ilene Macintire, P.E.
Development Services
333 Civic Center Plaza
Tracy, CA 95376

With a copy to:
City Attorney
333 Civic Center Plaza
Tracy, CA 95376

To Consultant:

Indigo | Hammond + Playle Architects, LLP
Bruce Playle, Partner
909 5th Street
Davis, CA 95616

13. Miscellaneous.

13.1 Standard of Care. Unless otherwise specified in this Agreement, the standard of care applicable to Consultant's services will be the degree of skill and diligence ordinarily used by reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.

13.2 Amendments. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

13.3 Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

13.4 Assignment and Delegation. Consultant may not assign, transfer or delegate this Agreement or any portion of it without the City's written consent. Any attempt to do so will be void. City's consent to one assignment shall not be deemed to be a consent to any subsequent assignment.

13.5 Jurisdiction and Venue. The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

13.6 Compliance with the Law. Consultant shall comply with all applicable local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

13.6.1 Prevailing Wage Laws. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates; employment of apprentices (§ 1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on "public works" and "maintenance" projects. If the services being performed under this Agreement are part of a "public works" or "maintenance" project, as defined in the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. These prevailing rates are on file with the City and are available online at http://www.dir.ca.gov/DLSR. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents, harmless from any and all claims, costs, penalties, or interests arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

13.6.2 Non-discrimination. Consultant represents and warrants that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Consultant shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

13.7 Business Entity Status. Consultant is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Consultant. By entering into this Agreement, Consultant represents that it is not a suspended corporation. If Consultant is a suspended corporation at the time it enters this Agreement, City may take steps to have this Agreement declared voidable.

13.8 Business License. Before the City signs this Agreement, Consultant shall obtain a City of Tracy Business License. Consultant shall maintain an active City of Tracy Business License during the term of this Agreement.

13.9 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

13.10 Construction of Agreement. Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

13.11 Severability. If a term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in effect.

13.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Consultant's proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Consultant's proposal (if any), the Exhibits shall control.

13.13 Entire Agreement. This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. All exhibits attached hereto are incorporated by reference herein.

14. Signatures. The individuals executing this Agreement on behalf of Consultant represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Consultant.

[SIGNATURES ON FOLLOWING PAGE]

The Parties agree to the full performance of the terms set forth here.

City of Tracy

_____
By: Robert Rickman
Title: Mayor
Date: _____

Attest:

_____
Adrianne Richardson, City Clerk

Approved as to form:

_____
Leticia Ramirez, City Attorney

Consultant

_____
Indigo | Hammond + Playle Architects, LLP
A California Limited Liability Partnership
By: Bruce Playle
Title: Partner
Date: 10/6/2020

Federal Employer Tax ID No. 68-0428958

_____
By: Bruce Playle
Title: Partner
Date: 10/6/2020

Exhibits:

A	Scope of Work, including personnel and time of performance (See Agreement sections 1 and 2.)
B	Compensation (See Agreement section 3.)

EXHIBIT A - Scope of Work

The Consultant will closely coordinate with City of Tracy personnel, as well as the Consultant's sub-consultants, in completing the General Scope of Work, Tasks 1 – 5, listed below over a 20 week and 8 meeting timeline. This includes coordination with the City Facilities Committee which may be composed of leadership from Administration, Finance, Fire, Police, Public Works, etc. The Citywide Public Safety Master Plan Update (CPSMP Update) will establish department-by-department programmatic needs from the "bottoms-up", substantiating the space required for City of Tracy emergency service operations Police and Fire, based on growth projections in the City's General Plan. The CPSMP Update relies heavily on pre-existing studies, including the prior approved Master Plan, and will be based on the growth projections in Tracy's adopted General Plan as well as discussions with your department directors and selected staff. The results of this "bottoms-up" study will then be cross-checked against a "tops-down" review of cities comparable to Tracy - peer cities - to ensure reasonableness. Consultant's scope of work shall consist of the following progressive steps, organized around Tasks 1 - 5 as described below.

TASK 1 - Public Safety Master Plan

Proposed Work Plan – Prior to proceeding, the Consultant will develop a detailed work plan and schedule for the City, and will enumerate all items identified in below. To provide an idea of our proposed process, the Consultant will break Task 1 down into an outline of subtasks 0.0 through 1.8 as indicated below. The Consultant with the City's assistance identify key stakeholders and help develop a joint Public Safety Facility Committee (referred to below as Facility Committee) as a first order of business. The Consultant will assist the City to establish the roles and responsibilities of the Facility Committee, and its members, including the Committee's role in obtaining the input of stakeholders. All task items refer to update of the original master plan.

The estimated costs per task listed below are based on Hourly Rates in Exhibit B.

TASK 0.0 - Data Collection $3,100

Prepare list of requested items, present to City for provision so material can be reviewed ahead of Kick-off Meeting. Items to be requested and reviewed may include but are not limited to current organizational charts, approved budgets indicating approved staff positions, recent years calls for service and other data, recent changes to physical facility plans, and updated general plan or development maps affecting current and future service area. (**2 week**, 0 meetings)

TASK 1.0 - Evaluate Current Conditions $17,200

The Consultant will participate in a Kick-off Meeting to review overall update process, changes since adoptions of the prior Citywide Public Safety Master Plan (CPSMP), changes in delivery of police and fire services, changes in development community and development fee situation. Discussion will include changes made necessary by COVID-19. The Consultant will assess the "current" level of public safety service the City of Tracy delivers, by department, and the adequacy of current staff levels and the ability of existing facilities to deliver this service level. The Consultant will update the locations of City Safety staff and the general size, condition and capacities of existing facilities will be determined based on building plans provided by the City. The Consultant will work with City Safety stakeholders to identify current deficiencies for Police and Fire operations and facilities and potential remedies for same will be discussed. Locations of propose new facilities will be discussed. The consultant will note any necessary building improvements for accessibility and building system upgrade or replacements will be broadly defined. The Consultant will evaluate the degree of renovations and/or new construction required and to demonstrate that the best use of existing facilities is being made by optimizing the use of any reserve capacity. **(2 week**, 1 Facility Committee kick-off meeting including site walk of any new or recently remodeled Police and Fire facilities).

TASK 1.1 - Develop Space Standards & Functional Flow $5,500

The Consultant will establish the City of Tracy space standards for each public safety position type, functional area, equipment need, etc. When applied to projections for staff, functions and equipment will develop total space need for each department and for the aggregate. The Consultant will identify inter-departmental functional flow and adjacency requirements to determine optimum deployment of City of Tracy public safety staff and operational resources. Where the concept of "one-stop-shopping" and "combined police and fire public safety facility" makes sense for public safety services, it will be explored if desired. Recommendations for operational efficiency will be made. Supervisorial hierarchy and administrative support requirements will be defined. Savings through efficiencies found here are the highest order of savings possible, followed by those to be found by minimizing facility programmed size, construction cost, and operational cost. (**2 weeks**, 1 Facility Committee meeting concurrent with Task 1.3)

TASK 1.2 - Prepare Staff & Space Need Projections $22,000

Having previously identified "current" conditions, the Consultant will next identify City of Tracy "needed now" level of service, staff, and facilities. The difference, if any, between facilities "needed now" and "current" establishes facility demand nexus attributable to properly serving the existing population of approximately 95,000 residents. Response time standards for Fire will be identified and translated into facility need and location in the City of Tracy. The Consultant will identify growth indicators for Police and Fire Departments to determine future staff required at each growth milestone. The Consultant will review the General Plan and Master EIR to establish "projected" service levels, staff, and facilities in 10 and 20-year increments. The difference between "projected" and "needed now" generally is the nexus attributable to future development growth. Potential space and cost savings of a combined Police & Fire Public Safety Facility will be discussed, as appropriate. (**2 weeks**, 1 Facility meeting concurrent with Task 1.3)

TASK 1.3 - Comparison to Peer Communities $12,500

Although not specifically requested in Tasks 1 - 5 in the RFP, the Consultant highly recommends a brief comparison to peer communities conducted early in the Public Safety Master Plan study. The Consultant will establish a short list of "Peer Communities" - communities comparable to Tracy - in order to conduct "tops down" comparisons and demonstrate the reasonableness of Tracy's needs. The Consultant will compare the City of Tracy's "Current", "Needed Now", and "Projections" numbers for service level, staffing and facilities with those of relevant peer communities. This is done at an early stage so that any significant anomalies that could cause problems later can be detected and explored for cause. Modifications may be made to Tracy's projections, as appropriate. The City of Tracy may wish to conduct its own survey by telephone to peer cities. (**1 week**, 1 Facility Committee meeting)

TASK 1.4 - Develop Alternative Facility Plans $23,500

The Consultant will identify options available to adequately house City of Tracy Public Safety staff and Operations, now and into the future. The Consultant will prepare preliminary facility plans of remodel opportunities as well as new facility plans and evaluate for operational efficiencies. The Consultant will evaluate the renovation of structures as well as the possibility of building new facilities which could more flexibly provide functional space for City of Tracy police and fire operations. The Consultant will ensure that use of existing facilities is maximized to reduce the size and cost of any new facilities. This step will include preliminary site plan, floor plan layouts, massing studies, etc. Layout of a combined Police & Fire Public Safety Facility will be prepared, as appropriate. (**2 weeks**, 1 Facility Committee meeting concurrent with Task 1.5)

TASK 1.5 - Comparative Cost Estimations $21,100

The Consultant will prepare preliminary cost estimates and will use them to compare the various public safety facility options. This includes cost-outs for remodel and new construction options, evaluation of which scenarios demonstrate best value to the taxpayer, etc. The Consultant will provide specific recommendations on which scenarios best achieve City of Tracy goals and will fall within likely budget constraints. Based on the "needed now" and "projected" facilities described above, The Consultant will differentiate cost attribution to development growth vs. the serving the needs of the existing population of approximately 95,000 residents. See Tasks 1.6 and 3.0 below for more on the importance of accurate and realistic cost estimating to ensure the feasibility of the master plan. (**1 week**, 1 Facility Committee meeting)

TASK 1.6 - Project Delivery, Phasing & Implementation Strategies $13,400

The Consultant will develop project delivery options including lease, purchase and construction of new facilities as well as for remodel as part of its basic scope. Options for design-build or other potentially cost-savings techniques will be explored. A building phasing plan and various funding strategies will be defined. It is imperative that the cost and schedule of implementing the Master Plan be feasible if it is to be successful and usable to the City. See also Task 3.0 below for more on funding alternatives.
(**1 week**, 1 Facility Committee meeting)

TASK 1.7 - Select Preferred Master Plan $6,800

Resulting from the study above and in close coordination with the Facility Committee, the preferred alternative will be selected upon which to base public safety master plan findings. The Consultant will provide an overall master planning tool integrating the above study areas and substantiating the rationale for City of Tracy public safety facilities to be built. (**1 week**, 1 Facility Committee meeting)

TASK 1.8 - Develop Guidelines $10,000

The Consultant will establish standards for workplace planning, interior design, energy-efficiency, resiliency, and sustainability meeting-or-exceeding federal and state guidelines for environmentally-appropriate use of resources for new and existing construction. These goals will reduce future utility costs at the same time demonstrating the City of Tracy's commitment to sustainable building practices. These standards will be crafted in a way that do not increase the cost of construction, yet lower operating costs through energy-efficiency. The tangible result will be reduced utility bills and a corresponding increase in general fund resources freed-up for program. The Consultant specializes in low-energy buildings, builds LEED-accredited facilities, and is uniquely credentialed to assist on this front. (**1 week**, 1 Facility Committee meeting)

TASK 2.0 - Prepare Draft & Final Public Safety Master Plan $29,200

Based on the Task 1 results, the Consultant will consolidate all process and findings into a step-by-step public safety facility deployment plan that makes sense for the City of Tracy, is financially feasible, and that delivers the desired functionality now and into the future. A Capital Improvement Program for Public Safety Facilities description will be prepared describing long term planning for the disposition, lease, purchase, or construction of new City public safety facilities. The CSFMP will be flexible for update and reuse over the years. (**2 weeks**, 1 meeting with City Council) including Council Approval

TASK 3.0 - Prepare AB 1600 Findings and Assist City in Reviewing Funding Alternatives. $8,200

The Consultant will prepare findings that can be used directly in the City's AB 1600 - Development Impact Fee Study and provide the underpinnings to the Public Safety Fee. These include existing building

inventory, facility standards, facility costs for growth, and implementation. Any costs attributable to the current population, if any, will be identified. Based on cost estimates of the various facility layout and alternatives, and working in concert with the City of Tracy Finance Department, Bay Area Economics (BAE) is on-board and available to prepare required cash flow demand tables and identify any differences between required and projected available cash flow. The Consultant will define the costs of the needed facilities and identify which portion is attributable to growth and which to the existing population. Project delivery options including design-build and leaseback will be explored. The Consultant will prepare a brief financing study and cash flow analysis which would be necessary for facility deployment. The Consultant will provide an estimate of net change to yearly Operations and Maintenance Cost to operate the expanded Public Safety Master Plan facilities. Working with City of Tracy Finance Department, The Consultant will prepare a list of candidate funding mechanisms and develop a phasing strategy which complements the cash flow generated by the various funding mechanisms. The Consultant will compare scheduling issues presented by the various alternatives to assist in establishing the priority and sequence of funded projects based on their order of need, cost-efficiency and ability to house staff and operations. The funding overview will provide an overview of the different funding sources, eligibility criteria, the estimated amount of funding available, and the general process necessary to obtain funding, including a conceptual funding matrix illustrating effect of a) existing and new local funding sources and b) State and/or Federal funding. (**3 weeks**, 1 Facility Committee meeting)

TASK 4.0 - Provide Technical Support to the City's EIR Consultant. $4,000

The Consultant will provide support with environmental clearance of the CPSMP Update public safety master plans and buildings. The Consultant will interpret the facilities Alternatives Analysis, assist in preparation of the Environmental Sensitivity Analysis, assist in scoping any supplemental studies required, help write specific technical sections, and will attend any public meetings related to the public review process of the EIR document. (meetings and timeline concurrent with above)

TASK 5.0 – Coordination Incl. above

The Consultant will coordinate all work closely with City staff, provide timely response to inquiries from you, and will attend, present, and provide answers to your City Council. We performed these same tasks successfully in the original master plan and will re-establish relevant basis based on Tracy's current and projected needs, provide recommendations with complete rationale and funding feasibility analysis making it easy for Council to approve. (Meetings and timeline concurrent with above)

Total elapsed time: 20 weeks, total meetings: 8

Deliverables:

1. Land Use & Long Range Plan evaluation.
2. Project goals and objectives.
3. Recommended response standards for Police and Fire.
4. City map marked with potential locations for new Fire Station(s) meeting response standards.
5. Existing Public Safety Facility Inventory, including equipment, review of capacities and deficiencies.
6. Growth indicator factors, for Police and Fire.
7. Staff projection tables, for Police and Fire.
8. Space & Facility standards, for Police and Fire.
9. Space Need tables, for Police and Fire.
10. Functional flow and adjacency diagrams.
11. City of Tracy comparison to up to three peer cities.
12. Facility deployment alternatives, up to three alternatives.
13. Capital Improvement Program for Public Safety Facilities description.

14. Phasing plan and preliminary cost estimates for up to three alternatives.
15. Public Safety Building & facility plan floor layouts for new and renovation construction, including alternatives.
16. Guidelines for resiliency, energy efficiency, and environmental sustainability, including LEED goals.
17. Preliminary conceptual funding matrix.
18. Capital Improvement Program for Public Safety Facilities.
19. Draft Public Safety Master Plan, 20 copies provided. Includes complete findings of report to a draft level sufficient for City of Tracy staff review.
20. Final Public Safety Master Plan, 20 copies provided. Final report including addressing any minor comments or concerns raised by City of Tracy staff, for the approval of City Council.
21. AB1600 findings summary with Cost Allocation Report.
22. Supporting documentation to the EIR document and its review, as required.

Consultant Staff:

Bruce Playle, Principal Architect
Prescott Nichols, Architect
Candace Harrison, Architect
Omar Armendariz, Designer/ Drafter- Level 2
Apeksha Patel, Designer/ Drafter- Level 1
Vicky Perez Herrera, Designer/ Drafter- Level 1
Dina Connors, Clerical

EXHIBIT B – Compensation

Fee Schedule

Indigo | Hammond + Playle Architects, LLP
2020 / 2021

Principal Architect	$255
Architect	$208
Senior Designer	$187
Designer/ Drafter- Level 2	$155
Designer/ Drafter- Level 1	$135
Clerical	$110

Overtime rate 1.5 times hourly rates above.

Consultants and reimbursable expenses are at 1.15 x cost

Allowable reimbursable expenses include: printing, delivery, presentation materials, mileage, and overnight accommodations where one-way travel is greater than 200 miles.

Mileage at $0.58 per mile.

RESOLUTION 2020-_____

APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH INDIGO | HAMMOND & PLAYLE ARCHITECTS, OF DAVIS, CALIFORNIA FOR AN UPDATE TO THE PUBLIC SAFETY MASTER PLAN (CIP 71108) WITH A NOT-TO-EXCEED AMOUNT OF $176,500

WHEREAS, The Public Safety Master Plan Update is a planning level document that outlines the current and future public safety needs in the City of Tracy and the City's sphere of influence, and

WHEREAS, The existing Public Safety Master Plan was adopted in 2013 and needs updating to address public safety needs for recent and proposed development and population growth, and

WHEREAS, The Public Safety Master Plan Update will reflect changes and refinements of existing planning areas, will reflect changes needed to accommodate population growth, and create a 20 to 30 year vision for its Fire Department and Police Department, and

WHEREAS, A Request for Proposals for the Public Safety Master Plan Update was issued on June 1, 2020, and

WHEREAS, Two proposals were received, and the proposal submitted by Indigo | Hammond & Playle Architects, LLP, of Davis, California was determined to be the most responsive to the City's needs, and

WHEREAS, A Professional Services Agreement was negotiated with a not-to-exceed amount of $176,500, and

WHEREAS, The total Project budget for the Public Facilities Master Plan Update, CIP 71108, is $420,000. There are sufficient funds available within this Project for the PSA;

NOW, THEREFORE, BE IT RESOLVED, That City Council of the City of Tracy hereby approves a Professional Services Agreement with Indigo | Hammond & Playle Architects, LLP, with a not-to-exceed amount of $176,500, for the Public Safety Master Plan Update, CIP 71108.

* * * * * * * * * * *

The foregoing Resolution 2020-_____ was passed and adopted by the Tracy City Council on the 20th day of October 2020, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

October 20, 2020

AGENDA ITEM 1.G

REQUEST

ADOPT A RESOLUTION AMENDING THE CITY'S OPERATING AND CAPITAL IMPROVEMENT PROJECTS (CIP) BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2021, AS PROPOSED

EXECUTIVE SUMMARY

On June 16, 2020, the Council adopted the FY 2020-21 Operating and Capital Budget. This report provides an update of the City's current financial performance, for First Quarter (Q1), through September 30, 2020. This financial summary identifies Q1 General Fund revenue and expenditure actuals and encumbrances, minor amendments to the FY 2020-21 budget, provides an update of current Capital Improvement Projects (CIPs) and approves the appropriations for funds that were planned in the FY 2019-20 budget but will be completed in FY 2020-21.

DISCUSSION

Quarterly, staff prepares a report to the City Council on the year-to-date revenues and expenditures as compared to the amended budget as of September 30, 2020 (First Quarter Q1). For comparison, FY 2019-20 Q1 actuals are also provided.

FY 2020-21 General Fund Budget to Actuals

As of September 30, 2020, the General Fund expenditures are approximately 14-25% of the approved operating budget. City personnel costs are reporting similarly to prior year trends; however, this actually represents a lower trend as the employee's received the last of the three year approved cost of living increases on July 1, 2020. The employee raises are offset by the personnel decreases resulting from the City's current hiring freeze and vacancies in place throughout the City. Non-personnel expenses represent both prior year spending trends and budget estimates for FY 2020-21.

General Fund revenues collected in Q1 (as of September 30, 2020), reflect approximately 9% of estimated revenues. City revenues tend to lag a quarter behind and many revenues will appear low or zero as a result. For example, General Fund revenues in Property Tax, as well as VLF/Property Tax, are distributed in December and April and will appear in the second and fourth quarter reports. The City's Sales Tax are one-quarter in arrears and will appear after the second quarter, and first quarter collections represent advances from the State based on prior year collections, not necessarily actual collection by the State. General Fund revenues in Franchise Fees and Business Licensees are typically reported in the third and fourth quarter of the fiscal calendar.

As reflected in the FY 2020-21 Amended Budget, staff is proposing minor amendments for City Council consideration. Staff is recommending amending the appropriations to $82,723 million. This is comprised of FY 2019-20 budget carryover for items that were either underway, postponed, or otherwise delayed into FY 2020-21 of approximately

$420,000 and increased Purchased Services additions as of Q1 FY 2020-21 of approximately $200,000 for Administrative Support and Contract Services.

Staff is making the following request for additional appropriations for Purchased Services:

SUMMARY OF PROPOSED AMENDMENTS

Fund Name	Dept	Amount	Reason
General Fund	Development Services	$ 50,000	Outside Consultants for Sign Ordinance
General Fund	Administration	$150,000	Outside legal and administrative support; other purchases

1. Development Services, while preparing an update to the Sign Ordinance, has determined that a need has arisen for consultant support; especially as it relates to environmental impact review. It is estimated that this service will cost $50,000.

2. Administrative Services is requesting an increase in appropriations for outside financial, legal, and labor expertise that were unplanned during the budget process. It is estimated these costs will accumulate to $150,000. Human Resources, Finance, and the City Attorney's Office are each requesting an increase in appropriations, totaling $150,000, for outside expertise to support Council priorities; such as: Negotiations and Labor expertise; Fire Transition Analysis; Land Development; various legal expertise.

   The amended General Fund deficit of $3.8 million will be funded through prior year appropriation carryovers (prior year appropriations assumed to fund current year expenses) and the remaining 10% Economic Budget Stabilization fund. The City's overall revenue and expenditure picture will be discussed in greater detail during the Mid-Year Budget Review, scheduled for Council consideration in March 2021. During this period 50% of the City's revenues will have been received and will provide better insight to the estimated year end totals. An updated General Fund Fiscal Forecast will be also be presented at that time as well.

Continued on Next Page

SUMMARY OF PROPOSED REVENUES AND EXPENDITURES FOR THE GENERAL FUND AS OF SEPTEMBER 30, 2020 (Q1 OF FY 2020-21)

REVENUES (in thousands)	FY 19/20 Q1	FY 20/21 Adopted	FY20/21 Amended	FY20/21 Q1	% OF Budget
PROPERTY TAX	$ 43	$ 25,776	$ 25,776	$ -	0.0%
SALES TAX	2,081	24,000	24,000	2,555	10.6%
SALES TAX (MEASURE V)	842	7,967	7,967	869	10.9%
OTHER TAXES	109	353	353	113	31.9%
OTHER REVENUES	4,572	20,832	20,832	3,842	18.4%
TOTAL REVENUES	**$ 7,647**	**$ 78,927**	**$ 78,927**	**$ 7,378**	9.3%

EXPENDITURES (in thousands)	FY 19/20 Q1	FY 20/21 Adopted	FY20/21 Amended	FY20/21 Q1	% OF Budget
PERSONNEL	$ 9,363	$ 58,846	$ 58,887	$ 9,571	16.3%
PURCHASED SERVICES AND SUPPLIES	2,512	13,151	13,723	2,286	16.7%
UTILITIES	324	1,735	1,735	419	24.1%
CAPITAL	17	-	6	-	0.0%
DEBT	-	1,276	1,276	-	0.0%
NET TRANSFERS (IN)/OUT	-	7,096	7,096	-	0.0%
TOTAL EXPENDITURES	**$ 12,215**	**$ 82,103**	**$ 82,723**	**$ 12,276**	14.8%
Total Change in Net Position	**$ (4,568)**	**$ (3,176)**	**$ (3,796)**	**$ (4,898)**	

Continued on Next Page

STRATEGIC PLAN

This agenda item addresses Goal 2 of the Governance Strategy to ensure continued fiscal sustainability through financial and budgetary stewardship.

FISCAL IMPACT

Staff is recommending minor amendments to the City Operating and Capital Budget for FY 2020-21.

SUMMARY OF PROPOSED AMENDMENTS

Fund Name	Dept	Amount	Reason
General Fund	Development Services	$50,000	Outside Consultants for Sign Ordinance
General Fund	Administration	$150,000	Outside legal and administrative support (such as Negotiations and Labor expertise; Fire Transition Analysis; Land Development; various legal expertise); other purchases

SUMMARY OF PRIOR CARRYOVERS

Fund Name	Carryover Amount
GENERAL FUND	419,564
DEVELOPMENT SERVICES	169,423
GAS TAX	1,171,987
SPECIAL REVENUE	1,059,853
GEN FUND CAPITAL	1,641,390
CAPITAL	4,397,031
INTERNAL SERVICES FUND	1,801,627
AIRPORT	175,546
TRANSIT	868,415
SOLID WASTE	20,700
WASTEWATER	28,454,882
WATER	1,051,846
Grand Total	**41,232,265**

RECOMMENDATION

The City Council, by resolution, adopt the Amended Municipal Budget for Fiscal Year 2020-21.

Prepared by: Karin Schnaider, Finance Director

Reviewed by: Midori Lichtwardt, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENT

A - FY 20-21 Q1 CIP Update

GENERAL GOVERNMENT PUBLIC SAFETY PROJECT BUDGET UPDATE
FY2020-21 Q1

CIP	Expenses	Budget	% Budget Expensed	Planning	Design	Construction	Close out	Status Update and Timeline
ACTIVE PROJECTS								
71027-Retrofit Water Tower 6th St	$ 5,632	$ 210,000	3%	X				Pending discussions with cell phone licensess (Engineering/PW)
71078-New Radio Tower - Station 96	$ 6,489	$ 118,080	5%	X				Pending RFQ for Design/Build - (under review by staff)
71089-Council Chamber Audio/Visual Systems	$ 643,052	$ 755,317	85%			X		CH26 working on project close out
71107-Public Facilities Master Plan Update	$ 77,825	$ 500,000	16%	X				Task 1 Facility Eval75% complete, Estimated Completion Oct 2021
71108-Public Safety Master Plan Update	$ 4,544	$ 420,000	1%	X				Estimated Completion Dec 2021
71109-Fire Training Tower Site	$ 104,639	$ 450,000	23%	X				Advertising on hold pending additional funding
71110-Police Department Gun Range	$ 42,587	$ 400,000	11%	X				Pending RFQ for Design Services
71111-Grand Theater Repair	$ 19,996	$ 355,000	6%	X				Bidding in progress, Estimated Completion Mar 2021
71112-Temporary Emergency Housing	$ -	$ 899,000	0%	X				Project approved CC September 1, 2020 RESO 2020-163
71113-Station 91 Renovations	$ -	$ 300,000	0%	X				Station Renovations

TRAFFIC SAFETY PROJECT BUDGET UPDATE
FY2020-21 Q1

CIP	Expenses	Budget	% Budget Expensed	Planning	Design	Construction	Close out	Status Update and Timeline
ACTIVE PROJECTS								
72068-Traffic Signal - Lammers & West Schulte	$ 1,095,166	$ 1,298,900	84%			X		Project is 95% Complete, Estimated Completion Nov 2020
72073-Intersection Improvements - MacArthur Drive & Valpico Road	$ 306,100	$ 306,100	100%				X	Project is complete, Included W/CIP 73126, Acceptance Oct 2020
72074-Intersection Improvements - Tracy Blvd & Valpico Road	$ 3,479	$ 25,000	14%	X				
72095-Traffic Signal - Corral Hollow & Valpico	$ 23,531	$ 300,000	8%		X			Design expected to complete 02/21
72098-Adaptive Traffic System - 11th Street	$ 1,198	$ 100,163	1%	X				Developing Scope of Work for RFP. Design Anticipated to begin 12/20
72104-Intersection Improvements - Corral Hollow & Linne	$ 1,605	$ 300,000	1%		X			RFP Out for Design Services -Design to begin 11/20
72111-Replacement of Traffic Loops	$ 122,595	$ 176,000	70%			X		Project is 95% Complete, Estimated Completion Nov 2020
72113-Adaptive Traffic System - Corral Hollow Road	$ -	$ 100,000	0%	X				Developing Scope of Work for RFP. Design Anticipated to begin 12/20
72115-Vehicular Detection Loops Installation at Lauriana and Schulte	$ 34,248	$ 278,976	12%			X		Project is 95% Complete, Estimated Completion Nov 2020
72116-Crosswalk Safety Enhancement on 11th St at F St	$ 9,370	$ 280,000	3%	X				Design Anticipated to begin 12/20
72117-Traffic Cameras Repair/Replacement	$ 173	$ 275,000	0%	X				Developing Scope of Work. Design Anticipated to begin 11/20
72118-Upgrade & Maintenance of Traffic Management Center Software	$ 550	$ 140,000	0%	X				Developing Scope of Work/Issuing PO to Vendor.
72119-Local Roadway Safety Plan	$ 144	$ 80,000	0%	X				Working on Issuing an RFP

STREETS AND HIGHWAYS PROJECT BUDGET UPDATE
FY2020-21 Q1

CIP	Expenses	Budget	% Budget Expensed	Planning	Design	Construction	Close out	Status Update and Timeline
ACTIVE PROJECTS								
73084-New Interchange - I-205 & Lammers Road - Ph I, EIR Study	$ 432,556	$ 1,008,000	43%	X				EIR Revalidation in progress
73103-Widening - Corral Hollow, 11th to Schulte	$ 191,267	$ 740,829	26%	X				Project is currently on hold
73109-I-205 at Chrisman Road Interchange	$ 240,470	$ 696,290	35%		X			Design is complete, project is on hold
73126-Widening - MacArthur Drive, Schulte to Valpico, Phase II	$ 9,404,264	$ 9,542,554	99%				X	Project is complete, Included W/CIP 72073, Acceptance Oct 2020
73144-Widening - Corral Hollow, Linne to Old Schulte	$ 4,693,965	$ 6,111,938	77%		X			Dependent on the ROW acquisitions
73146-I-205/Mountain House Overcrossing	$ 1,875,030	$ 1,256,715	149%		X			Environmental in Progress
73147-I-580/Mountain House Overcrossing	$ 205,915	$ 2,486,298	8%		X			Environmental in Progress
73148-Bridge Widening Over Delta Mendota Canal on Mountain House Parkway	$ 16,708	$ 101,205	17%	X				Under Design by Prologis
73149-Bridge Widening Over California Aqueduct on Mountain House Parkway	$ 10,858	$ 101,716	11%	X				EIR in Progress
73150-Bridge Widening Over Delta Mendota Canal on Old Schulte Road	$ 25,786	$ 101,716	25%	X				Under Design by Prologis
73161-Reconstruction - Corral Hollow Road from Linne to I-580	$ 955,536	$ 2,210,231	43%		X			Currently funded for the design phase, 30% completed.
73166-Street Patch & Overlay Program FY19	$ 281,574	$ 3,224,190	9%			X		Phase 1 and Phase 2 are both in Construction
73168-Reconstruction 6th St, west of Tracy Blvd	$ 21,391	$ 400,000	5%		X			In Progress; Advertise in November 2020
73171-Sidewalk and Curb Ramp Project – West St & 6th St/West St & South St	$ 12,965	$ 250,000	5%		X			In Progress; Advertise in December 2020
73172-Cherry Blossom Ct Pedestrian	$ 13,023	$ 60,000	22%					
73173-Transportation Master Plan	$ 264,525	$ 700,000	38%		X			In Progress
73175-Tracy Boulevard Sidewalk	$ 14,332	$ 724,581	2%	X				Right of Way acquisition in progress
73176-Street Patch & Overlay Program FY20	$ 71,166	$ 2,175,000	3%		X			Coordinating w/Caltrans for encroachment permits; Advertise in Jan 2021
73177-ADA Accessibility Improvements	$ 1,590	$ 265,000	1%		X			In Progress; Advertise in December 2020
73178-Overlay Program FY21	$ 3,569	$ 3,711,862	0%		X			Working on Issuing on RFP for Design Services. Design to begin 12/20
73179-Pavement Management System Update	$ -	$ 50,000	0%	X				RFP for Update planned to be issued in May 2021
73180-Sidewalk, Curb, and Gutter Repair	$ -	$ 250,000	0%		X			Design is expected to begin November 2020
73181-Asphalt Concrete Pedestrian Path Installation on Lammers Road	$ -	$ 80,581	0%					Project approved CC August 18, 2020 RESO 2020-152

BUDGET TRANSFERS				
CIP	**In**	**Out**	**Fund**	**Description**
73178-Overlay Program FY21		$ 400,000	242-TDA	Split CIP 73178 into 2 Separate Projects
73182-Street Patch FY21	$ 400,000		242-TDA	Split CIP 73178 into 2 Separate Projects

WASTEWATER IMPROVEMENTS PROJECT BUDGET UPDATE
FY2020-21 Q1

CIP	Expenses	Budget	% Budget Expensed	Planning	Design	Construction	Close out	Status Update and Timeline
ACTIVE PROJECTS								
74083-New Outfall Pipeline WW Treatment Plant- Larch Road & Holly Drive	$ 14,953,846	$ 39,900,000	37%			X		Estimated Completion Jun 2023
74084-WW Line Upgrades - East Side Sewer mains on Grant Line Rd	$ 34,987	$ 755,910	5%		X			4000 feet of 24" wastewater pipe in MacArthur, parallel to existing pipe, is required to address choke points and accommodate future development
74091-Wastewater Recycling, Phase I	$ 23,537,438	$ 24,000,000	98%				X	Construction has been completed, project awaiting close out w/DWR
74107-Wastewater Treatment Plant Expansion - Phase 2	$ 3,437,889	$ 6,000,000	57%		X			Design in progress
74128-Security Upgrades at WWTP	$ 7,793	$ 264,000	3%		X			Design in progress
74159-Wastewater Master Plan Update	$ 445,184	$ 781,200	57%	X				
COMPLETED PROJECTS								
74161-Sewer Lateral Replacement	$ 239,406	$ 261,880	91%					Project Accepted by CM 7/07/2020

WATER IMPROVEMENTS PROJECT BUDGET UPDATE
FY2020-21 Q1

CIP	Expenses	Budget	% Budget Expensed	Planning	Design	Construction	Close out	Status Update and Timeline
ACTIVE PROJECTS								
75130-SCADA Replacement	$ 326,212	$ 610,000	53%				X	
75153-Luis Manner Well Rehab	$ 95,977	$ 964,973	10%			X		In progress
75156-WTP UV Upgrade	$ 47,789	$ 400,000	12%		X			
75159-Water Master Plan Update	$ 365,508	$ 659,767	55%	X				
75160-Water Lines Lammers Rd	$ 102,711	$ 4,800,000	2%		X			75% Cost Estimate is $5.6M, UPRR & WSID Easements needed

DRAINAGE IMPROVEMENTS PROJECT BUDGET UPDATE
FY2020-21 Q1

CIP	Expenses	Budget	% Budget Expensed	Planning	Design	Construction	Close out	Status Update and Timeline
ACTIVE PROJECTS								
76059-South MacArthur, Ph 2-From Northern Boundary of Elissagaray Ranch to Connection at Eastside Channel	$ 53,378	$ 554,007	9.6%		X			
76066-Detention Basin 2B - Blue Zone, Zone 1 - South Central area	$ 268,531	$ 1,829,893	14.7%		X			Right of Way acqusition in escrow
76070-Detention Basin 10 Storm Water Pump Station Upgrade	$ 57,368	$ 300,000	19.1%	X				
76082-Arbor Ave. - MacArthur to Outfall Ditch	$ 23,762	$ 710,000	3.3%		X			Design 90% complete
76086-Storm Drain Master Plan Update	$ 641,582	$ 664,550	96.5%	X				Pending City Review and completion of other infrastructure master plan updates.

AIRPORT TRANSIT PROJECT BUDGET UPDATE
FY2020-21 Q1

CIP	Expenses	Budget	% Budget Expensed	Planning	Design	Construction	Close out	Status Update and Timeline
ACTIVE PROJECTS								
77552-PAPI Installation and Retrofit and AWOS Replacement	$ 369,760	$ 478,794	77.2%				X	
77560-Paratransit Bus Replacement	$ -	$ 1,000,000	0.0%			X		Purchase approved by CC June 16, 2020
77561-Fixed Route Transit Bus Replacement	$ -	$ 2,300,000	0.0%			X		Purchase approved by CC August 18, 2020
77564-Transit Station Security Cameras	$ 1,533	$ 140,000	1.1%	X				
77582-Airport RDA Improvements	$ 376,212	$ 1,502,717	25.0%		X			Construction Contract Awarded by CC August 18, 2020
77583-Airport Layout Plan/Geospatial Info	$ 45,750	$ 241,200	19.0%	X				
77584-Transit Stattion Rehab	$ 5,454	$ 400,000	1.4%	X				Consultant PSA Under review for approval
77585-Tracer Bus Stop Improvements	$ -	$ 500,000	0.0%					Not yet started
77586-Transit Maintenance & Storage Yard (Land Acquisition)	$ -	$ 1,000,000	0.0%					Not yet started

PARKS RECREATION IMPROVEMENTS PROJECT BUDGET UPDATE
FY2020-21 Q1

CIP	Expenses	Budget	% Budget Expensed	Planning	Design	Construction	Close out	Status Update and Timeline
ACTIVE PROJECTS								
78054-Aquatics Center	$ 1,218,937	$ 65,000,000	1.9%	X				Final conceptual plan is approved, working on phasing plan & design, funding & construction agreement, design will start soon
78149-Park Renovation - LMZ 17, Sullivan and Huck Parks	$ 403,741	$ 525,200	77%			X		Construction is wrapping up, at punch list stage
78164-Legacy Field Site Phase 1D	$ 8,793,992	$ 9,711,132	91%				X	Project is complete
78170-Gretchen Tally Park Phase III	$ 476,881	$ 2,956,571	16%		X			Currently in design
78171-Bikeways Master Plan Update	$ 51,468	$ 100,000	51%	X				Ongoing
78173-Playground Replacements Alden & Yasui Parks	$ 18,223	$ 690,000	3%		X			Currently in design, going out to bid soon
78178-Multi-Generational Recreation Center	$ 82,557	$ 4,000,000	2%	X				Planning stage
78179-Parks Master Plan Update	$ 227,158	$ 426,000	53%	X				Ongoing, estimated Spring 2021 for CC adoption
78180-Nature Park	$ 68,918	$ 471,000	15%	X				Currently in planning phase, estimated Winter 20/21 fo CC adoption
78181-Lincoln Park Landscape Improvements	$ 9,774	$ 200,000	5%	X				In Progress
78182-American Legion Parking Lot	$ 30,000	$ 30,000	100%			X		Project Included in CIP 73166 Phase 2 - Parking lot work completed
78183-Bikeways Improvements	$ -	$ 155,000	0%	X				Ongoing
COMPLETED PROJECTS								
78157-Playground Replacement Larsen Park	$ 288,122	$ 327,750	88%					Project Construction Accepted by CM

RESOLUTION _____

AMENDING THE CITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2020-21

WHEREAS, The City Council, on June 16, 2020, adopted the FY 2020-21 Operating and Capital Budget for the City of Tracy, and

WHEREAS, Based upon a review of revenues and expenditures, the City Manager has prepared and proposed additional amendments to the FY 2020-21 budget, and

WHEREAS, Proposed amendments include re-appropriations from FY 2019-20 for items that were either underway, postponed, or otherwise delayed into FY 2020-21, and

WHEREAS, The City Council has considered information related to these matters, as presented at a public meeting of the City Council, including any supporting documents and reports by City staff, and any information provided during that public meeting, and

WHEREAS, The City Council has reviewed the level of budgeting control needed by the City Manager to ensure efficiency in managing the operations of the City, including the authorization of budget transfers between funds;

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Tracy hereby adopts the Amended Municipal Budget for the Fiscal Year 2020-21 as evidenced by the attached summary of FY 2020-21 Revised General Fund Budget and Capital Improvement Projects Exhibit A.

* * * * * * * * * * *

The foregoing Resolution 2020_____ was passed and adopted by the Tracy City Council on the 20th day of October, 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

Fund	FY 19/20 Q1	FY 20/21 Adopted	FY20/21 Amended	FY20/21 Q1
REVENUES				
GENERAL FUND	7,625,308	78,927,054	78,927,054	7,378,136
DEVELOPMENT SERVICES	2,115,084	9,310,959	9,310,959	2,549,354
SCFA	2,420	6,672,294	6,672,294	122,225
GAS TAX	444,549	3,163,139	3,163,139	556,391
SPECIAL REVENUE	155,340	12,092,236	12,092,236	491,316
DEBT	(49,008)	6,142,815	6,142,815	166,024
GEN FUND CAPITAL	0	9,993	9,993	958
CAPITAL	3,437,316	14,272,634	14,272,634	3,451,774
INTERNAL SERVICES FUND	2,426,153	12,895,102	12,895,102	2,713,920
AIRPORT	1,283,263	1,021,806	1,021,806	261,640
TRANSIT	57,205	5,555,883	5,555,883	839,733
SOLID WASTE	4,852,167	21,730,862	21,730,862	4,057,119
WASTEWATER	2,672,221	14,916,509	14,916,509	2,150,496
WATER	4,049,151	18,368,267	18,368,267	4,763,055
STORM DRAIN	152,250	718,683	718,683	133,158
TOTAL REVENUES	**29,223,419**	**205,798,236**	**205,798,236**	**29,635,299**
EXPENSES				
GENERAL FUND	12,215,324	82,103,037	82,722,601	12,276,402
DEVELOPMENT SERVICES	2,133,830	10,692,978	10,862,401	1,999,706
SCFA	3,997,286	6,672,294	6,672,294	4,515,623
GAS TAX	349,042	4,090,046	5,262,033	401,631
SPECIAL REVENUE	2,447,910	6,889,269	7,949,122	1,285,345
DEBT	1,563,875	5,138,131	5,138,131	2,496,334
GEN FUND CAPITAL	2,076,804	455,178	2,096,568	427,450
CAPITAL	8,907,729	9,688	4,406,719	1,950,725
INTERNAL SERVICES FUND	2,995,995	13,591,095	13,980,788	4,171,187
AIRPORT	1,883,145	864,117	1,035,706	239,465
TRANSIT	783,302	7,008,346	7,876,761	728,427
SOLID WASTE	3,785,930	24,304,162	24,324,862	4,415,777
WASTEWATER	4,865,556	15,658,642	44,113,524	6,526,343
WATER	3,018,733	18,787,678	19,839,524	3,499,844
STORM DRAIN	109,523	684,666	684,666	128,678
TOTAL EXPENSES	**51,133,983**	**196,949,327**	**236,965,700**	**45,062,935**
INCREASE/(DECREASE)	**(21,910,564)**	**8,848,909**	**(31,167,464)**	**(15,427,636)**

October 20, 2020

AGENDA ITEM 1.H

REQUEST

WAIVE SECOND READING AND ADOPT ORDINANCE 1297, AN ORDINANCE OF THE CITY OF TRACY AMENDING SECTIONS 3.04.010 AND 3.04.030 OF CHAPTER 3.04 OF THE TRACY MUNICIPAL CODE, "FIREWORKS", REGARDING ADMINISTRATIVE CITATIONS FOR DANGEROUS FIREWORKS ENFORCEMENT

EXECUTIVE SUMMARY

Ordinance 1297 was introduced at the regular Council meeting held on October 6, 2020. Ordinance 1297 is before Council for adoption.

DISCUSSION

The Tracy community has been experiencing a significant increase in the use of illegal fireworks. So far, in 2020, the Police Department received 701 fireworks-related calls for service, a 75% increase compared to the total for the year 2018 and a 90% increase vs. the total for 2019. This number is expected to increase as we approach New Year's Eve, which is the second most popular season for the use of fireworks, with the period around Fourth of July being by far the most popular.

Under the Tracy Municipal Code (TMC) the possession, sale, or discharge of dangerous (illegal) fireworks in Tracy is prohibited and is charged as a misdemeanor or the City may issue an administrative citation to a person as an alternative to charging a misdemeanor. Proposed Ordinance 1297 was introduced at the October 6, 2020, Council meeting to amend Sections 3.04.010 and 3.04.030 of Chapter 3.04 of the TMC regarding administrative citations for dangerous fireworks enforcement. The proposed ordinance intends to enhance enforcement against the possession, sale, or discharge of dangerous fireworks within Tracy by holding the "responsible party" of private property liable for the dangerous fireworks through issuance of an administrative citation.

Ordinance 1297 is before Council for adoption.

STRATEGIC PLAN

This agenda item is related to the Council's Public Safety Goal #3, "Strengthen Community Safety through Crime Prevention Reduction Activities", sub-points

1. Leverage technology to enhance public safety awareness, response and performance
2. Strengthen community connection and collaboration and crime prevention activities

FISCAL IMPACT

There is no fiscal impact associated with this item. Funding for educational campaign products may be available through specific grants. Additional minor costs can be included in the current operational budget.

RECOMMENDATION

That the City Council waive the second reading of the full text and adopt Ordinance 1297 amending various sections of Chapter 3.04 “Fireworks” of the Tracy Municipal Code regarding administrative citations for dangerous fireworks enforcement.

Prepared by: Necy Lopez, Deputy City Clerk

Reviewed by: Adrianne Richardson, City Clerk
Midori Lichtwardt, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

Attachment A: Ordinance 1297

ORDINANCE 1297

AN ORDINANCE OF THE CITY OF TRACY AMENDING SECTIONS 3.04.010 AND 3.04.030 OF CHAPTER 3.04 OF THE TRACY MUNICIPAL CODE, "FIREWORKS," REGARDING ADMINISTRATIVE CITATIONS FOR DANGEROUS FIREWORKS ENFORCEMENT

WHEREAS, The City of Tracy currently prohibits the possession, sale, or discharge of dangerous fireworks, specified as such by the Tracy Municipal Code and state law, which are commonly referred to as illegal fireworks, within City limits, and

WHEREAS, Illegal fireworks pose a serious risk to the public's safety, given the potential for personal bodily injury and property damage and loss, and the unknown material composition of these fireworks and lack of safeguards, and

WHEREAS, Despite the prohibition against illegal fireworks, City fire and law enforcement personnel continue to respond to calls for service and issue citations for the use of illegal fireworks during certain holidays such as the Fourth of July and New Year's Eve, and

WHEREAS, The City has experienced a 75% increase in fireworks-related calls for service and 15 fire calls on the July 14, 2020, three of which were directly attributed to fireworks, and

WHEREAS, The City recognizes the need to adopt further restrictions and increase penalties to hold responsible parties accountable for the possession, sale, or discharge of illegal fireworks on their properties, and

WHEREAS, It is the intent of the City Council to reasonably regulate the possession, sale, or discharge of dangerous fireworks within the City to protect the public health, safety, and general welfare of its residents;

NOW THEREFORE, the City Council of the City of Tracy does ordain as follows:

SECTION 1: Amended Sections. Sections 3.04.010 and 3.04.030 of Chapter 3.04 of Title 3 (Public Safety) of the Tracy Municipal Code are hereby amended to read as follows:

"**3.04.010 - Definitions.**

"Dangerous fireworks" means any device containing chemical elements and chemical compounds capable of burning independently of the oxygen of the atmosphere and producing audible, visual, mechanical, or thermal effects which are useful as pyrotechnic devices or for entertainment and any fireworks classified as such as defined by Sections 12505 and 12561 of the Health and Safety Code of the State of California and the sections of Title 19, Code of Regulations, Subchapter 6, pertaining to dangerous fireworks which are hereby incorporated by reference. This definition does not include ammunition used for target shooting or hunting, nor does it include what is ordinarily known as cap pistol caps, party poppers or snap caps.

"Fireworks sales stand" means any building, counter, or other structure of a temporary nature used in the sale, offering for sale, or display for sale of safe and sane fireworks.

"Nonprofit organization" means the applicant is a local nonprofit organization which shall mean any nonprofit association, club, or corporation organized for veteran, patriotic, welfare,

religious, civic betterment, youth or charitable purposes as defined by Section 501(c) of the Internal Revenue Code of the United States. A local nonprofit organization must have its principal and permanent meeting place within the City of Tracy, or be within a one-mile radius of the city limits of the City Tracy, or be a school with a student body that includes City of Tracy residents and is within the Tracy Unified School District or the Jefferson School District. Non-school organizations that have their principal meeting place outside the City limits as allowed above, must show documented proof that a majority of its members are City of Tracy residents. The organization must have nonprofit status and have been organized and established for a minimum of two continuous years preceding the filing of the application for permit. The organization must have a bona fide membership of at least twenty (20) members who reside in the City, which will be verified each year. The organization must also provide direct and regular community services and benefits to the residents of the City.

"Public display of fireworks" means an entertainment feature where the public or private group is admitted or permitted to view the display or discharge of dangerous fireworks.

“Principal and permanent meeting place” means a location that serves as the nonprofit organization’s primary, fixed site for meetings.

"Safe and sane fireworks" also known as *"state-approved fireworks"* means any device containing chemical elements and chemical compounds capable of burning independently of the oxygen of the atmosphere and producing audible, visual, mechanical, or thermal effects which are useful as pyrotechnic devices or for entertainment and any fireworks which do not come within the definition of "dangerous fireworks" or "exempt fireworks" as defined by Section 12505 of the Health and Safety Code of the State of California and the sections of Title 19, Code of Regulations, Subchapter 6, pertaining to "safe and sane fireworks" which are hereby incorporated by reference. This definition does not include ammunition used for target shooting or hunting, nor does it include what is ordinarily known as cap pistol caps, party poppers or snap caps.

“*Private property*” means any real property, place, or premises (including, but not limited to, residential, commercial, or industrial) whether occupied on a temporary or permanent basis, whether or not occupied as a dwelling, and whether owned, leased, or rented, or used with or without compensation, including, but not limited to, a home, yard, garage, apartment, condominium, hotel or motel room, or other dwelling unit, or a warehouse, hall, or meeting room.

“*Responsible party*” includes, but it is not limited to:

(1) The person(s) who owns, rents, leases, or otherwise has possession of the private property;

(2) The person(s) in immediate control of the private property; and

(3) The person(s) who organizes, supervises, sponsors, conducts, allows, controls, or controls access to the possession, sale, or discharge of dangerous fireworks.

If the private property is rented or leased, the landlord or lessor is not covered by this chapter unless he or she falls within the category of persons described under paragraph 2 or 3 of this definition. A landlord or lessor can only be held responsible under paragraph 3 of this definition if he or she has knowledge that dangerous fireworks (including a public display) are being possessed at, or discharged on the private property without obtaining a permit therefor as provided in section 3.04.020 of this Code.

3.04.030 - Sale, discharge, time limit, dangerous fireworks.

(a) Subject to the permitting provisions of this chapter, the California Fire Code, the provisions of the State Fireworks Law, Sections 12500 through 12726 of the Health and Safety Code of the State of California and any regulations promulgated thereunder, safe and sane fireworks may be discharged within the City limits of the City of Tracy during the period from noon and ending at 10:00 p.m. on the twenty-eighth day of June through the third day of July and from noon to midnight on the fourth of July, each year.

(b) It is unlawful and shall be a misdemeanor to possess, sell or discharge dangerous fireworks within the City of Tracy.

(c) As an alternative to charging possession, sale, or discharge of dangerous fireworks as a misdemeanor as provided under subsection (b) of this section, the City may issue administrative citations pursuant to chapter 1.28 of this Code.

(1) An administrative citation may be issued to any person or responsible party for violating subsection (b) of this section.

(2) A responsible party need not be present at the time dangerous fireworks are possessed, sold, or discharged for the City to issue an administration citation under subsection (b) of this section.

(3) Nothing in this Section shall be intended to limit any of the penalties provided for in this chapter or the California Health and Safety Code or Penal Code.

(d) Safe and sane fireworks may only be sold between the hours of 12:00 p.m. and 8:00 p.m. on June 28, between 8:00 a.m. and 8:00 p.m. from June 29 through July 3, and 8:00 a.m. and 9:00 p.m. on July 4.

SECTION 2: Title, chapter, and section headings contained herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of any title, chapter, or section hereof.

SECTION 3: If any provision or the application of this Ordinance is for any reason held to be unconstitutional, invalid, or otherwise unenforceable, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have adopted each subsection or provision of this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance enforced.

SECTION 4: This Ordinance shall take effect thirty (30) days after its final passage and adoption.

SECTION 5: This Ordinance shall either (1) be published once in a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk's office at least five days before the ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the ordinance. (Gov't. Code §36933.)

* *

The foregoing Ordinance 1297 was introduced at a regular meeting of the Tracy City Council on the 6th day of October, 2020, and finally adopted on the _____ day of _____, 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

_____
MAYOR

ATTEST:

_____
CITY CLERK

October 20, 2020

AGENDA ITEM 3.B

REQUEST

PUBLIC HEARING TO CONSIDER APPROVING THE TRACY HILLS VILLAGE 7C PROJECT, WHICH INVOLVES APPROVING A GENERAL PLAN AMENDMENT, INTRODUCING AN ORDINANCE APPROVING A TRACY HILLS SPECIFIC PLAN AMENDMENT, APPROVING A VESTING TENTATIVE SUBDIVISION MAP TO INCREASE THE NUMBER OF LOTS IN VILLAGE 7C FROM 66 TO 132, AND APPROVING A DEVELOPMENT REVIEW PERMIT FOR THE ARCHITECTURE, WHICH IS PROPOSED AS ATTACHED SINGLE-FAMILY HOMES IN A DUETS DESIGN, LOCATED ON APPROXIMATELY 28 ACRES IN TRACY HILLS PHASE 1A IN THE VICINITY OF TRACY HILLS DRIVE. THE APPLICANT IS JOHN PALMER. APPLICATION NUMBERS GPA20-0002, SPA20-0003, TSM20-0001, AND D20-0023

EXECUTIVE SUMMARY

This agenda item is a public hearing to consider approving the Tracy Hills Village 7C Project, which involves approving a General Plan Amendment, introducing an ordinance approving a Tracy Hills Specific Plan Amendment, approving a Vesting Tentative Subdivision Map to increase the number of lots in Village 7C from 66 to 132, and approving a Development Review Permit for the architecture, which is proposed as attached single-family homes in a duets design, located on approximately 28 acres in Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive.

DISCUSSION

For this agenda item, the City Council will be asked to consider the following actions regarding the Tracy Hills Village 7C Project:

- Approval of a General Plan Amendment (Application Number GPA20-0002)
- Introduction of an ordinance for approval of a Tracy Hills Specific Plan Amendment (Application Number SPA20-0003)
- Approval of a Vesting Tentative Subdivision Map (TSM20-0001)
- Approval of a Development Review Permit (D20-0023)

Background

On April 5, 2016, City Council certified an Environmental Impact Report and approved a General Plan Amendment and a comprehensive update to the Tracy Hills Specific Plan. The Tracy Hills Specific Plan consists of approximately 2,732 acres located in the vicinity of the existing Corral Hollow Road interchange and the proposed Lammers Road interchange on Interstate 580. On April 5, 2016, City Council also approved a Vesting Tentative Subdivision Map for approximately 1,160 single-family residential lots in Phase 1A. The Phase 1A area is currently under construction by Integral Communities, Lennar Homes, Shea Homes, and Meritage Homes. Similar to other master-planned developments, implementation often involves evaluating changes to development standards, land uses and phasing.

Overview of the General Plan Amendment

The proposed General Plan Amendment includes changing the General Plan land use designation on approximately 28 acres, known as Village 7C, within the Tracy Hills Phase 1A area from Residential Low to Residential Medium. This is a proposed amendment to the General Plan Land Use Designations Map, Figure 2-2 (Attachment A: General Plan Amendment). The Residential Medium designation has a density range of 5.9 to 12.0 dwelling units per acre. The developable area within Village 7C is approximately 19 acres. The undevelopable area includes a drainage basin and a couple of HOA-owned landscape parcels.

Allowing a greater variety of lot types, building types and densities within residential neighborhoods is beneficial to accommodating a wide range of housing objectives, buyer needs, and affordability, and is encouraged by the General Plan, as stated in the following General Plan policies:

LU-4.1 Policy P1:
Residential neighborhoods should contain a mix of housing types including single-family homes on a range of lot sizes; townhomes; duplexes, triplexes and fourplexes; and apartments.

CC-6 Policy P2:
Neighborhoods shall be designed to provide a mix of housing types such as single-family, duplex, triplex, fourplex, townhomes and apartments.

Overview of the Tracy Hills Specific Plan Amendment

The proposed Tracy Hills Specific Plan Amendment (SPA) includes rezoning approximately 28 acres, known as Village 7C, within the Tracy Hills Phase 1A area from Low Density Residential (LDR-TH) to Medium Density Residential (MDR-TH). The proposed SPA also includes a series of updates to the development standards for the MDR-TH zoning district to allow for duets, which is a building type involving two attached single-family homes on separate lots. Additionally, the proposed SPA includes revisions to allow more flexibility related to design specifications for the lighting standards (Attachment B: Tracy Hills Specific Plan Amendment).

The entire Tracy Hills Phase 1A area consists of approximately 417 acres and was previously approved for approximately 1,160 single-family residential lots. All residential areas within Tracy Hills Phase 1A are currently zoned as Low Density Residential. The proposed rezoning of Village 7C (28 acres) from Low Density Residential to Medium Density Residential would allow a greater range of lot types, building types and densities within Tracy Hills Phase 1A. The proposed rezoning is consistent with the General Plan policies stated above and the proposed General Plan Amendment.

Overview of the Vesting Tentative Subdivision Map

The previously approved Vesting Tentative Subdivision Map for Tracy Hills Phase 1A shows 66 lots in the Village 7C area, which was previously identified as Village 6B. The approved subdivision design for Village 7C consists of 70-foot wide lots. The proposed Vesting Tentative Subdivision Map for Village 7C would split the lot widths in half. The

proposed Vesting Tentative Subdivision Map would result in 132 lots on approximately 19 acres with 35-foot wide lots. The neighborhood layout, including street and block design would remain as previously approved. Typical lot sizes would range from 3,500 to 5,500 square feet with a few exceptions of larger lots (Attachment C: Vesting Tentative Subdivision Map). The increase in lots in the Village 7C area will be reflected in documents relating to the City of Tracy Community Facilities District No. 2016-1 ("Tracy Hills CFD") which covers the Tracy Hills Phase 1A area. The Tracy Hills CFD is a community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 for the purpose of financing specified public facilities and services. The City Council will be taking various actions relating to the Tracy Hills CFD at tonight's meeting under a separate agenda item.

The proposed small-lot design would expand the diversity of lot sizes and house types in the Tracy Hills area. The proposed density is approximately 6.9 dwelling units per acre, which is consistent with the General Plan designation of Residential Medium. The proposed Vesting Tentative Subdivision Map is consistent with the General Plan policies stated above and the proposed amendments to the General Plan and the Tracy Hills Specific Plan.

The City conducted a traffic analysis of the proposed project, which concluded that the addition of 66 homes in Tracy Hills Village 7C (for a new total of 132) would not trigger new intersection deficiencies or other traffic impacts. The traffic analysis memo is included as an attachment to the CEQA Initial Study described below.

Overview of the Development Review Permit

The Development Review Permit application involves the proposed architectural design for Village 7C (Attachment D: Architectural Packet). The building type is a duets product, which involves the pairing of two attached single-family homes on separate lots. The proposed architecture includes three floor plans with four elevations for each plan type. The duets would be constructed in three different building configurations, pairing Plans 1 and 2, Plans 1 and 3, and Plans 2 and 3. The floor plan sizes would be approximately 1,800 square feet for Plan 1, approximately 2,000 square feet for Plan 2, and approximately 2,300 square feet for Plan 3. In order to break up the building façade and de-emphasize the view of the paired garages, one of each two garages would be pushed back five feet or more from the face of the other garage so that both garages would not be on the same plane.

The proposed architecture is consistent with the Tracy Hills Specific Plan, including desirable elements such as significant variation between floor plans and elevations, a mix of building materials, and architectural features on all four sides of each dwelling unit. The proposed architectural quality is consistent with the homes in the Tracy Hills Phase 1A neighborhood.

Planning Commission Discussion

The Planning Commission held a public hearing to consider the Project on September 23, 2020 and recommended that the City Council approve the General Plan Amendment, introduce and adopt an ordinance to approve the Tracy Hills Specific Plan

Amendment, approve the Vesting Tentative Subdivision Map, and approve the Development Review Permit for the Tracy Hills Village 7C project.

Environmental Document

An Environmental Impact Report (EIR) was certified by the City Council on April 5, 2016 for the Tracy Hills Specific Plan. An Initial Study has been prepared in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines to document the finding that none of the conditions or circumstances that would require preparation of a subsequent EIR, pursuant to Sections 15162 and 15168 of the CEQA Guidelines, exist in connection with the proposed Tracy Hills Village 7C Project (Attachment E: CEQA Initial Study). Therefore, pursuant to Section 15168(c)(2), no further environmental document is required.

STRATEGIC PLAN

This agenda item is not related to the City Council's Strategic Plans.

FISCAL IMPACT

The costs of these development applications were funded by application fees and a Cost Recovery Agreement.

RECOMMENDATION

Staff and the Planning Commission recommend that the City Council approve the Tracy Hills Village 7C Project by taking the following actions:

- Approve a General Plan Amendment (Application Number GPA20-0002)
- Introduce an Ordinance approving a Tracy Hills Specific Plan Amendment (Application Number SPA20-0003)
- Approve a Vesting Tentative Subdivision Map (Application Number TSM20-0001)
- Approve a Development Review Permit (Application Number D20-0023)

Prepared by: Scott Claar, Senior Planner

Reviewed by: Bill Dean, Assistant Development Services Director
Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

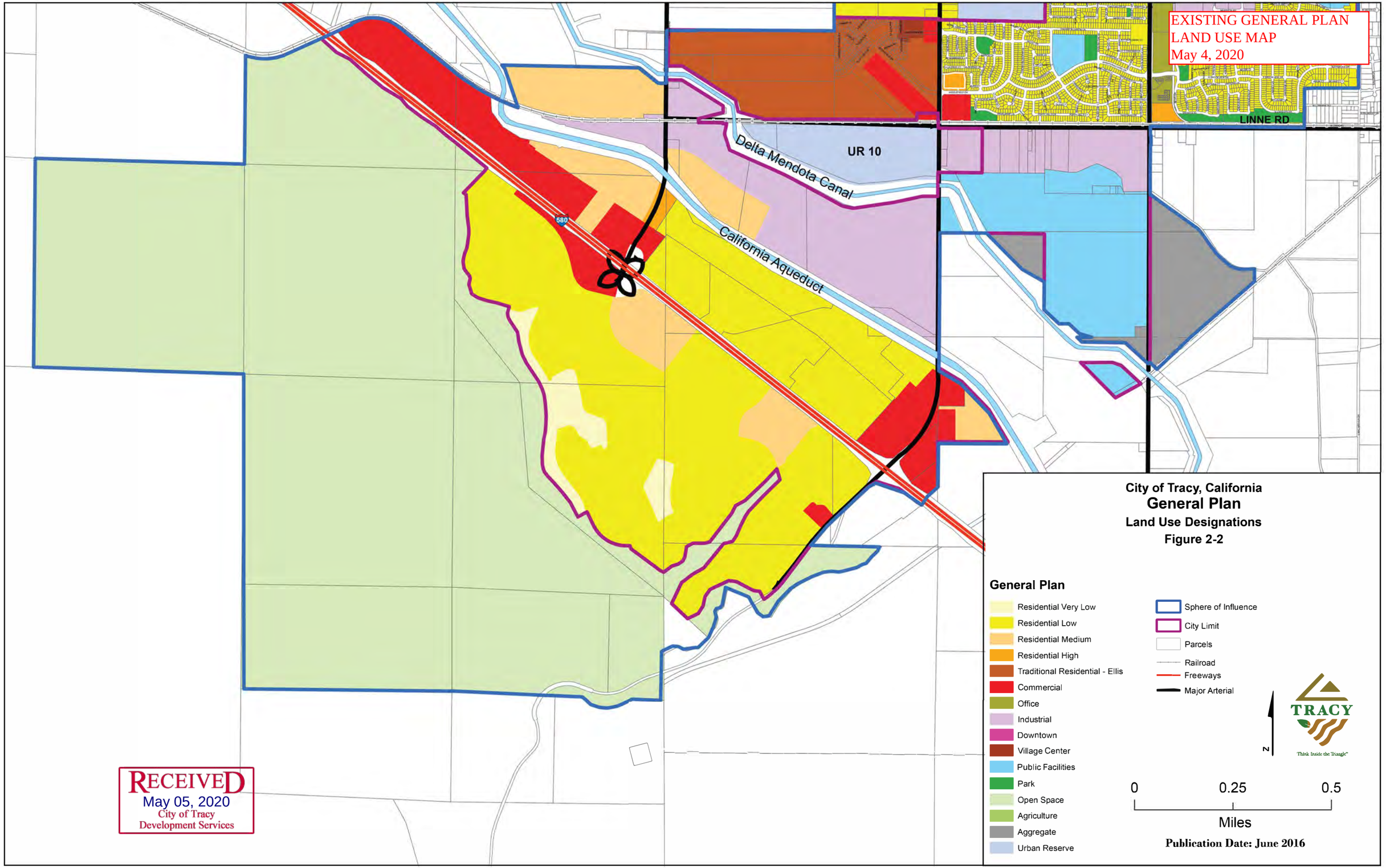
Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – General Plan Amendment
Attachment B – Tracy Hills Specific Plan Amendment
Attachment C – Vesting Tentative Subdivision Map
Attachment D – Architectural Packet
Attachment E – CEQA Initial Study

Attachment A

EXISTING GENERAL PLAN
LAND USE MAP
May 4, 2020



RECEIVED
May 05, 2020
City of Tracy
Development Services

City of Tracy, California
General Plan
Land Use Designations
Figure 2-2

General Plan

- Residential Very Low
- Residential Low
- Residential Medium
- Residential High
- Traditional Residential - Ellis
- Commercial
- Office
- Industrial
- Downtown
- Village Center
- Public Facilities
- Park
- Open Space
- Agriculture
- Aggregate
- Urban Reserve
- Sphere of Influence
- City Limit
- Parcels
- Railroad
- Freeways
- Major Arterial

N

TRACY
"Think Inside the Triangle"

0 0.25 0.5
Miles

Publication Date: June 2016

PROPOSED GENERAL PLAN LAND USE MAP
TRACY HILLS VILLAGE 6B AMENDMENT
May 4, 2020

Clouded area includes the proposed land use changes.

Delta Mendota Canal

California Aqueduct

UR 10

LINNE RD

680

205

City of Tracy, California
General Plan
Land Use Designations
Figure 2-2

General Plan

- Residential Very Low
- Residential Low
- Residential Medium
- Residential High
- Traditional Residential - Ellis
- Commercial
- Office
- Industrial
- Downtown
- Village Center
- Public Facilities
- Park
- Open Space
- Agriculture
- Aggregate
- Urban Reserve

- Sphere of Influence
- City Limit
- Parcels
- Railroad
- Freeways
- Major Arterial

N

TRACY
"Think Inside the Triangle"

0 0.25 0.5
Miles

Publication Date: June 2016

RECEIVED
May 05, 2020
City of Tracy
Development Services

TRACY

Attachment B



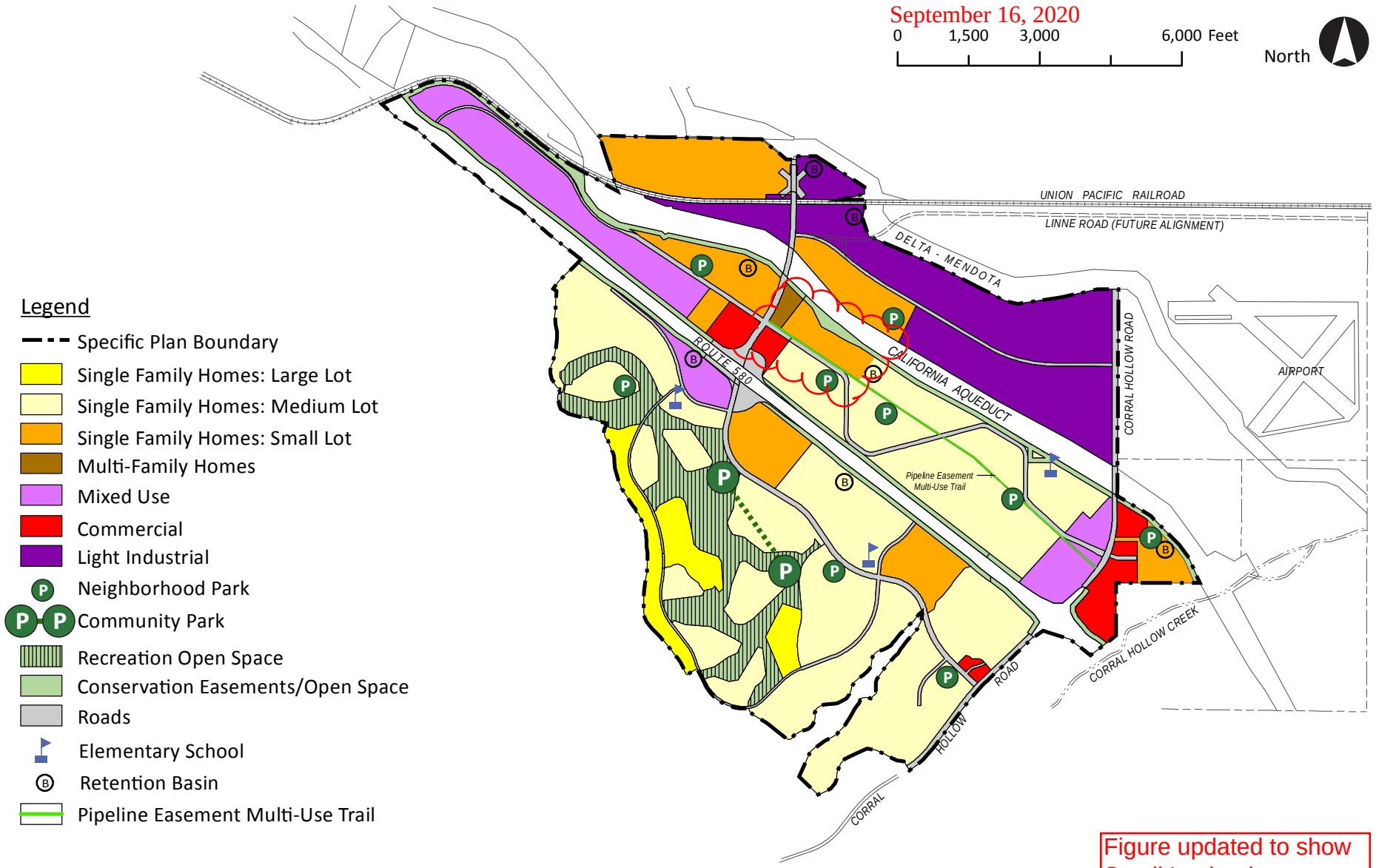
Tracy Hills Specific Plan

Approved April 5, 2016 (Tracy Resolution 2016-063)
Amended June 18, 2019, incorporated herein (Tracy Ordinance 1270)
Amended May 19, 2020, incorporated herein (Tracy Ordinance 1286)
Amended July 21, 2020, incorporated herein (Tracy Ordinance 1294)
Draft Amendment September 16, 2020

VILLAGE 7C AMENDMENT DRAFT
September 16, 2020

0 1,500 3,000 6,000 Feet

North



Legend

- Specific Plan Boundary
- Single Family Homes: Large Lot
- Single Family Homes: Medium Lot
- Single Family Homes: Small Lot
- Multi-Family Homes
- Mixed Use
- Commercial
- Light Industrial
- Neighborhood Park
- Community Park
- Recreation Open Space
- Conservation Easements/Open Space
- Roads
- Elementary School
- Retention Basin
- Pipeline Easement Multi-Use Trail

Figure updated to show Small Lot land use at Village 7C.

NOTES:
1. The locations, numbers, and configurations of public schools, park sites, and public utilities are conceptual and subject to change.
2. This exhibit is for conceptual purposes to show approximate locations.

Figure 1-3

Land Use Concept

TRACY HILLS
Specific Plan

TABLE 1-1
LAND USE PLAN BUILDOUT EXAMPLE

Zoning District or Land Use	Approximate Gross Acres[1]	Approximate Adjusted Developable Acres[1, 2, 3]	Target Density Range or F.A.R.	Projected Dwelling Units or Square Feet[1]
Residential Estate	95.6	81.3	(0.5-2.0 DU's/ac.)	122 DU's
Low Density Residential	~~1,216.0~~1,188	~~876.3~~852.5	(2.1-5.8 DU's/ac.)	~~3,238~~3,150 DU's
Medium Density Residential	~~348.1~~376.1[4]	~~295.9~~319.7	(5.9-12.0 DU's/ac.)	~~2,204~~2,381 DU's
High Density Residential	9.2	7.8	(12.1-25.0 DU's/ac.)	125 DU's
Mixed Use Business Park	211.1	179.4	0.20 F.A.R.	1,562,933 s.f.
General Highway Commercial	72.4[4]	61.5	0.20 F.A.R.	535,788 s.f.
Light Industrial	363.1	308.6	0.25 F.A.R.	3,360,654 s.f.
Conservation Easements	123.3		n/a	
Subtotal:	**2,438.8**	**1,810.8**		
Interstate 580 Interchange and ROW	137.5			
California Aqueduct ROW	143.1			
Union Pacific Rail Road	12.2			
TOTAL:	**2,731.6**	**1,810.8**		~~5,689~~5,778 DU's 5.5 mil s.f.

1 All Acreages, dwelling units, and square footage examples shown herein are approximate.

2 Adjusted Developable Acres - Residential, Mixed Use Business Park, General Highway Commercial, and Light Industrial acreages have been adjusted to show that an estimated 15% of the land area is used for infrastructure such as roads and utilities, and/or public facilities such as neighborhood parks/amenities, schools, and/or public facilities such as retention basins as noted in the General Plan. Actual numbers will vary depending on site specific characteristics.

3 180 to 185 acres of General Plan mandated Open Space taken out of Low Density Residential land use category.

4 8.7 acres of General Highway Commercial will be zoned with a Medium Density Residential Overlay and is anticipated to be developed with residential uses. As such this acreage is accounted for in the Medium Density Residential zoning district.

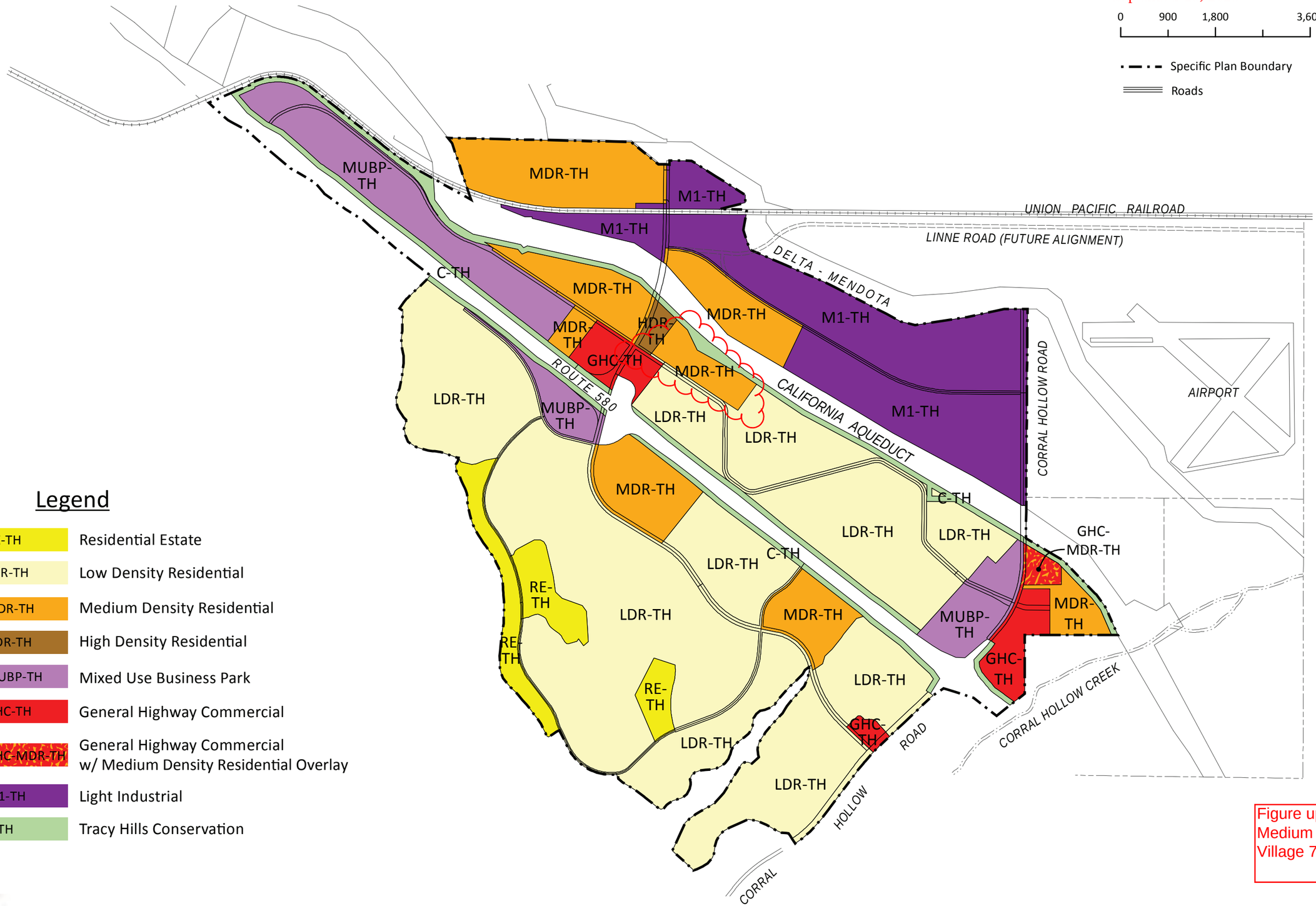
VILLAGE 7C AMENDMENT DRAFT
September 16, 2020

0 900 1,800 3,600 Feet

North

Specific Plan Boundary

Roads



Legend

RE-TH	Residential Estate
LDR-TH	Low Density Residential
MDR-TH	Medium Density Residential
HDR-TH	High Density Residential
MUBP-TH	Mixed Use Business Park
GHC-TH	General Highway Commercial
GHC-MDR-TH	General Highway Commercial w/ Medium Density Residential Overlay
M1-TH	Light Industrial
C-TH	Tracy Hills Conservation

Figure updated to show Medium Density at Village 7C.

Figure 2-1

Zoning Districts

TABLE 2-1
PERMITTED AND CONDITIONALLY PERMITTED USES

USES	RE-TH	LDR-TH	MDR-TH	HDR-TH	MUBP-TH	GHC-TH	M1-TH
Public Utilities	P	P	P	P	P	P	P
Crop and tree farming (the raising of tree, vine, field forage, and other plant life crops of all kinds), specialty crops (primarily conducted within structures), and community gardens	P	P	P	P	P	P	P
Single-family dwellings	P	P	P	P	NP	NP	NP
Duet (Two attached dwelling units on separate lots. See Figure 2-6 for illustration)	NP	P	P	P	NP	NP	NP
Duplex (Two attached dwelling units on one lot. See Figure 2-6 for illustration)~~Two family dwellings~~	NP	P	P	P	NP	NP	NP
Multi-family dwellings:	NP	NP	P	P	C	C	NP
Boarding and Rooming Houses	NP	NP	NP	P	NP	NP	NP
Institutional uses with residential accommodations (occupancy load of six or less), such as: • Foster homes • Homes for the aged	P	P	P	P	C	NP	NP
Educational and institutional uses with residential accommodations (occupancy load of over six), including but not limited to: • Hospitals • Nursing homes	C	C	C	C	C	C	NP
Public Facilities such as: • Fire stations • Park and neighborhood recreation (playgrounds) • Schools • Art galleries and museums • Court house and public agency administrative offices • Libraries • Meeting halls • Recreational centers • Athletic fields	P	P	P	P	P	P	P
Educational, cultural, institutional, and recreational uses, such as: • Private Schools and day care centers • Places of assembly • Golf course (private or public) • Private recreation facilities, such as fitness clubs • Private meeting halls • Private museums	C	C	C	C	P	P	C
Specialized recreational and instructional uses such as: • Arts • Athletics	NP	NP	NP	NP	C	P	C

2.1 RESIDENTIAL ZONING DISTRICTS

2.1.1 Purpose

Tracy Hills will provide a variety of housing types that accommodate a range of housing objectives, buyer needs, and affordability. It is expected that, once fully developed, Tracy Hills will accommodate approximately 5,~~689dwelling~~ 778 dwelling units and an estimated population of approximately 18,~~260~~ 547 (the California State Department of Finance estimates an average of 3.21 persons per household, as cited in the City's General Plan).

Figure 2-1, Zoning Districts, identifies four residential zoning districts. These zoning districts are Residential Estate (RE-TH, 0.5 to 2.0 dwelling units per acre), Low Density Residential (LDR-TH, 2.1 to 5.8 dwelling units per acre), Medium Density Residential (MDR-TH, 5.9 to 12.0 dwelling units per acre), and High Density Residential (HDR-TH, 12.1 to 25.0 dwelling units per acre).

The land use and development standards for the residential zoning districts of the Tracy Hills Specific Plan shall comply with all requirements that apply to the corresponding residential zoning districts in the Tracy Municipal Code, except as modified within this Specific Plan. (Refer to **Table 2-2, Residential Zoning Districts**).

TABLE 2-2
RESIDENTIAL ZONING DISTRICTS

Tracy Hills Specific Plan Residential Zoning Districts	Tracy Municipal Code Corresponding Zoning Districts
RE-TH	RE
LDR-TH	LDR
MDR-TH	MDR
HDR-TH	HDR

2.1.2 Permitted and Conditionally Permitted Uses Within Residential Zoning Districts

Table 2-1, Permitted and Conditionally Permitted Uses, indicates uses permitted within each residential zoning district of the Tracy Hills Specific Plan. The table also lists conditional uses that are subject to the granting of a Conditional Use Permit.

2.1.3 Development Standards for RE-TH, LDR-TH, MDR-TH, and HDR-TH

TABLE 2-3
DEVELOPMENT STANDARDS - RESIDENTIAL ZONING DISTRICTS

Development Standard	RE-TH	LDR-TH	MDR-TH(12)	HDR-TH
Allowable Density Range	0.5 to 2.0 DU/AC	2.1 to 5.8 DU/AC	5.9 to 12.0 DU/AC	12.1 to 25.0 DU/AC
Maximum Lot Coverage	45%	45%(8)	70%	45%
Minimum Lot Size	15,000 s.f.	3,900 s.f.	(1)	(1)
Minimum Lot Width	45' minimum at street frontage	45' minimum at street frontage	(1)	(1)
Minimum Front Yard Setback(2)(3)(4)	30 feet	10 feet	10 feet(11)	15 feet
Minimum Front Yard Setback(2)(3)(4)Garage	30 feet	20 feet(10)	18 feet(10)	
Minimum Side Yard Setback(2)(3)(6)(9)	10 feet	5 feet	3'-4" ~~feet~~ opposite garage side(13) 3'-8" on garage side(13)	15 feet, street side; 10 feet interior side
Minimum Rear Yard Setback(2)(3)	30 feet	10 feet	7 feet	10 feet
Maximum Building Height(7)	35 feet	35 feet	35 feet	35 feet

(1) To be determined upon approval of the Tentative Subdivision Map: The developer shall demonstrate that every lot has size and dimensions capable of meeting the land use, public utilities, and development standards of this Specific Plan.

(2) Any building / structure shall maintain minimum setbacks from the following pipelines:
(refer to figure 1-4, Existing Conditions, for general location of pipeline easements)

- Phillips 66: minimum 16.25 feet from the edge of the pipeline easement
- Shell: minimum 10 feet from the edge of the pipeline easement
- PG&E and Chevron: minimum 15 feet from the edge of northeast side the pipeline easement and minimum 20 feet from the edge of the southwest side of the pipeline easement.

(3) All setbacks measured from property line.

(4) There shall be no parking in the front yard between the house and the public right-of-way, except in the driveway.

(5) For rear yard, minimum setback is 5 feet for detached garage.

(6) For all corner lots, the minimum street side yard setback is 10 feet.

(7) Detached accessory structures that encroach into the rear or side yard setbacks shall have a maximum height of 10 feet.

(8) Maximum Lot Coverate up to 55% shall be permitted for single story elevation.

(9) AC condenser units may encroach into the minimum rear or side yard setback. At least one side yard of the lot shall maintain the minimum setback.

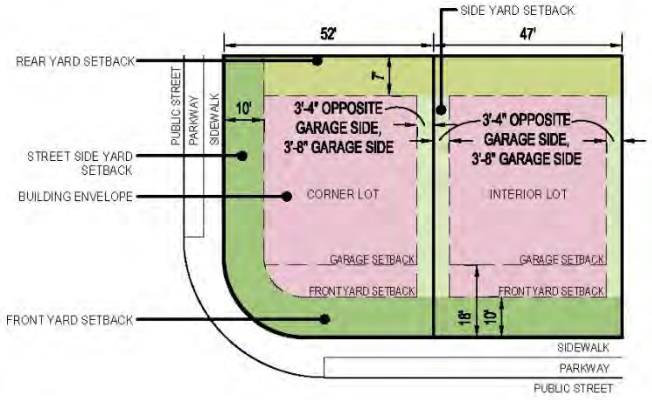
(10) The minimum front yard setback to a side swing garage is 10 feet, if the garage door does not face a street.

(11) Front porches, balconies, and bay windows may encroach up to 5 feet into the minimum front setback

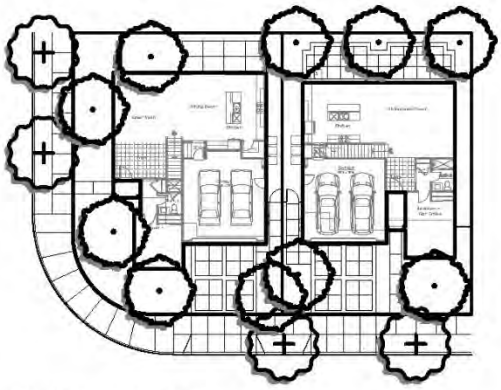
(12) In the MDR-TH zoning district, lots may be created with access provided by a private court or lane, as shown by the examples in Figure 2-6. For such cases where the front of a house faces a private court or lane, the property line dividing the lot from the private court or lane shall be the front lot line.

(13) The minimum side yard setback may be reduced to zero on the side of an attached duet residential unit.

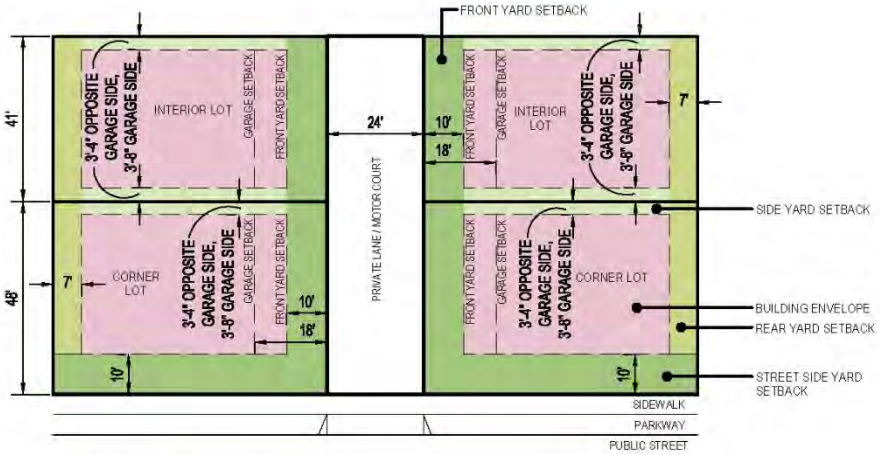
FIGURE 2-6
MEDIUM DENSITY RESIDENTIAL SETBACK EXHIBITS



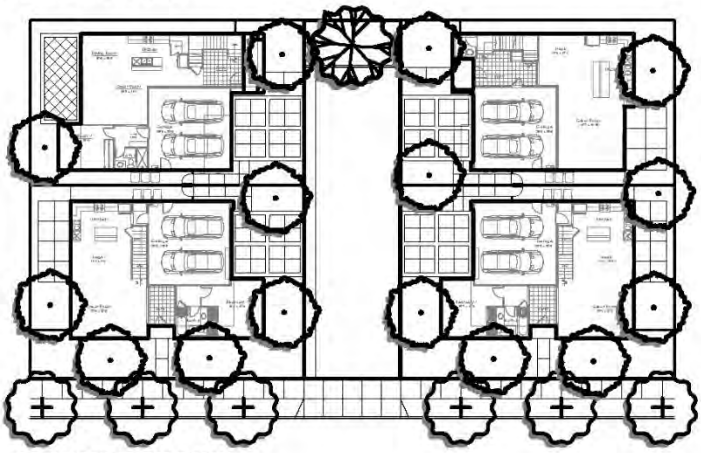
MEDIUM DENSITY RESIDENTIAL
TRADITIONAL LOTS EXAMPLE
PLAN OF SETBACKS & ZONES



MEDIUM DENSITY RESIDENTIAL
TRADITIONAL LOTS EXAMPLE
ILLUSTRATIVE PLAN

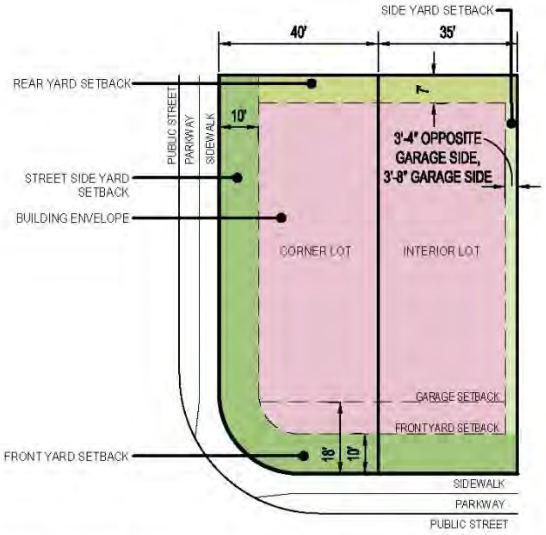


MEDIUM DENSITY RESIDENTIAL
COURT LOTS EXAMPLE
PLAN OF SETBACKS & ZONES

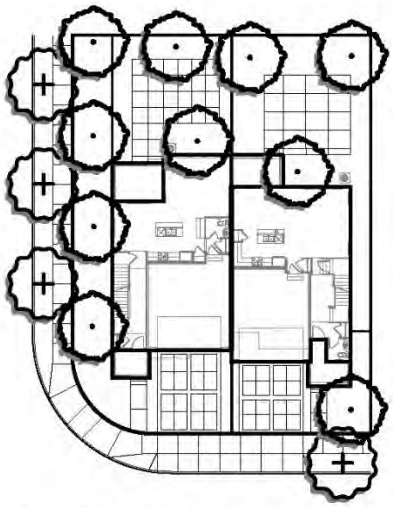


MEDIUM DENSITY RESIDENTIAL
COURT LOTS EXAMPLE
ILLUSTRATIVE PLAN
ILLUSTRATIVE PLAN

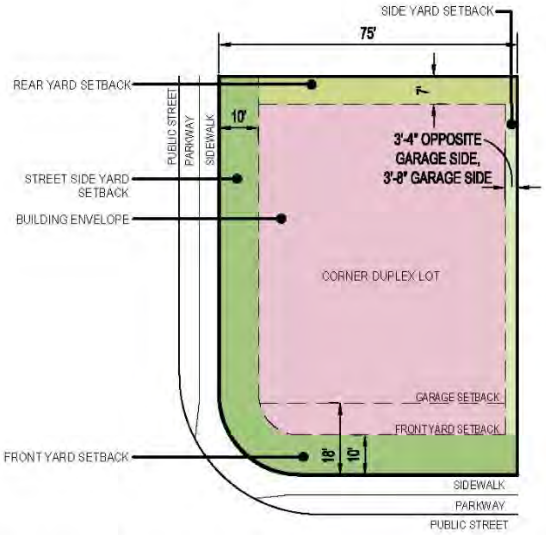
FIGURE 2-6
MEDIUM DENSITY RESIDENTIAL SETBACK EXHIBITS



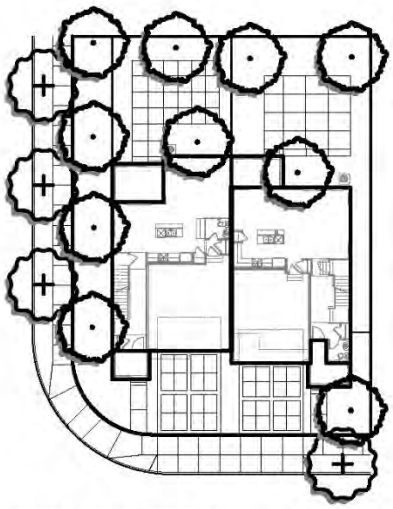
MEDIUM DENSITY RESIDENTIAL
DUET LOTS EXAMPLE (Attached units on separate lots)
PLAN OF SETBACKS & ZONES



MEDIUM DENSITY RESIDENTIAL
DUET LOTS EXAMPLE (Attached units on separate lots)
ILLUSTRATIVE PLAN



MEDIUM DENSITY RESIDENTIAL
DUPLEX LOT EXAMPLE (Attached units on one lot)
PLAN OF SETBACKS & ZONES



MEDIUM DENSITY RESIDENTIAL
DUPLEX LOT EXAMPLE (Attached units on one lot)
ILLUSTRATIVE PLAN

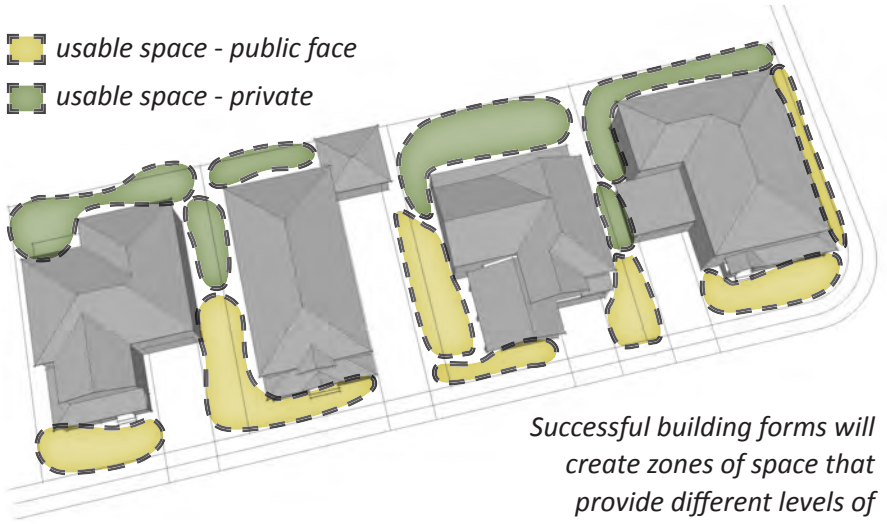
3.2.1 Scale

Scale refers to the massing and form of a building and includes elements such as building height and footprint. Depending on how a building is designed, it can either positively or negatively affect the character of a neighborhood and quality of the streetscape experience.

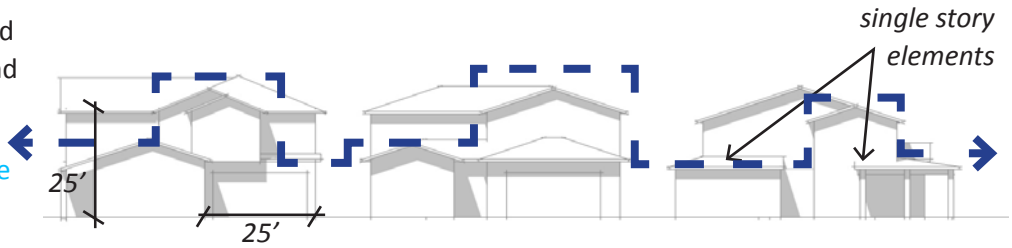
The guidelines below provide for the ability to create an inviting environment that considers the pedestrian and motorist experience throughout the neighborhood as it relates to visual interest and comfort in a space.

1. Massing and Building Form

- In general, building form shall allow for the creation of multiple usable zones that offer private and public spaces for residents.
- To create interest along the streetscape, building massing shall be varied through the staggering of horizontal and vertical planes. To this end, no building wall shall extend more than 25' vertically or horizontally without a visual break created by a 2' minimum offset or architectural detail.
- At least 25% of buildings within a neighborhood shall have a building mass which combines single and two story forms. Examples of forms include, but are not limited to a one story porch and a second level pop-out.
- In low density subdivisions, there shall be at least one single-story floor plan designed within a subdivisions used on approximately 25% of the lots. There is no single-story requirement for medium and high density subdivisions.



Successful building forms will create zones of space that provide different levels of privacy.



Breaks in massing along vertical and horizontal planes provide interest along the streetscape.





Garages are setback and designed to complement overall design.



Variation in garage locations provides interest in the streetscape.

2. Garages

- Within a neighborhood (defined as up to 200 dwelling units) there shall be a minimum of three garage door designs provided to avoid monotony along the streetscape. Each garage door design shall be used in at least 25% of the neighborhood.

- To minimize building bulk and the focus on vehicular elements, a maximum of two car garage bays shall front to the street on single-family dwellings that have a front elevation width of less than 60 feet. For single-family dwellings that have a front elevation width of 60 feet or greater, a maximum of three car garage bays shall front to the street.

- Garages shall be designed so they are not the primary focus in the streetscape and will be complementary to the rest of the home.

- Driveways shall have a maximum width of 18’ for two car garages and 30' for three car garages (measured at property line) so that it will not negatively impact the streetscape and walkability of the neighborhood. Driveways for duet and duplex buildings may have reduced separation from each other (4' minimum separation but may be reduced to 0' at cul-de-sacs, knuckles, and other street curves).

- Driveway approaches measured at curb face shall have a maximum width of 18' for two car garages and 30' for three car garages. For duet and duplex buildings, the maximum permitted driveway approach width may be 38'. Maximum widths do not include approach flares.

3.2.5 Residential Design Guidelines Checklist

This checklist is intended to be used as quick reference of the Residential Design Guidelines for designers, developers, builders, and City Staff.

SCALE	
Massing and Building Form	• No building wall shall extend more than 25’ vertically or horizontally without a visual break created by a 2’ minimum offset or architectural detail. • At least 25% of buildings within a subdivision shall have a building mass which combines single and two story forms. • In low density subdivisions, approximately 25% of the lots shall be a single-story floor plan.
Roof Forms, Materials, and Colors	• Create a diversity of roof forms for an articulated streetscape by providing at a minimum three different roof plans per building plan. • Flat roofs are not allowed. • Roof materials can include concrete or clay tile or architectural grade composition shingle.
ARCHITECTURAL STREETSCAPE	
Windows	• All windows shall have trim surrounds, headers, or sills. • Buildings with the same window locations, regardless of different elevation style, shall not be located next to each other.
Garages	• Within a neighborhood there shall be a minimum of three garage door designs provided to avoid monotony along the streetscape. Each garage door design shall be used in at least 25% of the neighborhood. • A maximum of two car garage bays shall front to the street on single-family dwellings that have a front elevation width of less than 60 feet. For single-family dwellings that have a front elevation width of 60 feet or greater, a maximum of three car garage bays shall front to the street. • Driveways shall have a maximum width of 18’ for two car garages and 30' for three car garages. Driveways for duet and duplex buildings may have reduced separation from each other (4' minimum separation but may be reduced to 0' at cul-de-sacs, knuckles, and other street curves). • Driveway approaches measured at curb face shall have a maximum width of 18' for two car garages and 30' for three car garages. For duet and duplex buildings, the maximum permitted driveway approach width may be 38'. Maximum widths do not include approach flares.
Building Materials and Colors	• Materials and colors palette shall be comprised of three or more complementary options that cover a base color, trim color, and accent color. • Material and color blocking shall not terminate at outside corners of buildings and shall wrap to appropriate transition points.
Details	• Building details shall be consistent with the architectural style and overall building design.

3.4.9 Lighting

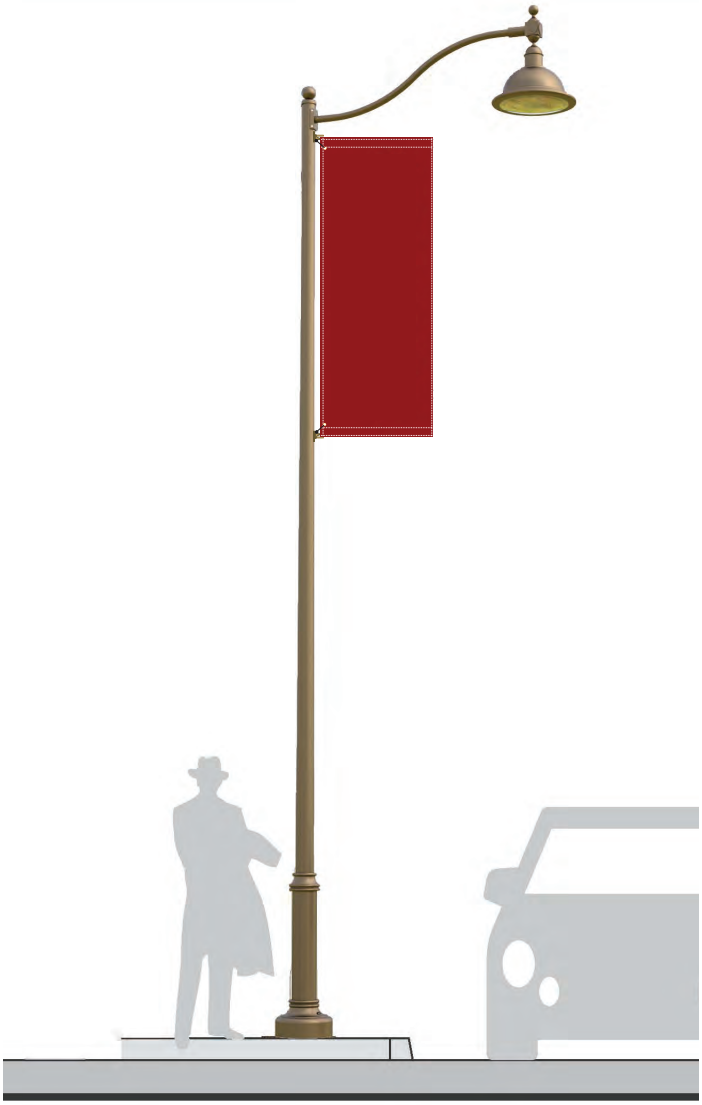
The site furnishings and lighting will be used to enhance, unify and reinforce the character of the overall site design. The site furnishings and lighting shall be made of natural materials/ elements that can be tied to the color and texture of the proposed monuments, walls/fences and architecture.

Lighting shall incorporate the following:

- All exterior light fixtures and fixture placement shall comply with the standards specified in the City's design documents. Use of energy-efficient technology is encouraged.
- Streets and intersections should be well-lit in accordance with the City standard illumination levels. Low-level lighting for pedestrian safety should be installed where appropriate. Intersections should have increased light levels for definition and to mitigate automobile/ pedestrian conflicts.
- Accent lights should be installed at all community monumentation locations.
- Street lights shall conform to the overall project theme and City standards.
- All exterior lighting for project identification, water features, and landscaping should be subdued and indirect to prevent spill over onto adjacent lots and streets.
- Lit bollards are proposed for pedestrian safety and should be provided in public open spaces.
- Removable bollards are proposed to provide a barrier at the driveway aprons to access easements.



- The type and location of building lighting should prevent direct glare onto adjacent property, streets and skyward by the use and application of shields.
- Pedestrian scale fixtures are encouraged over “high mast” poles, especially within neighborhoods.
- Consistent lighting fixtures shall be used throughout the Specific Plan Area to enhance community character.
- Light shall be confined on-site through orientation, the use of shading/directional controls, and/or landscape treatment.
- Light standard banners are encouraged to promote community awareness and activities. Banners may be located along Tracy Hills Drive.



Lighting Family shown as conceptual design intent. Available through Associated Lighting Reps., Inc. (510) 638-3800, South Coast Lighting (714) 931-4597, or equivalent

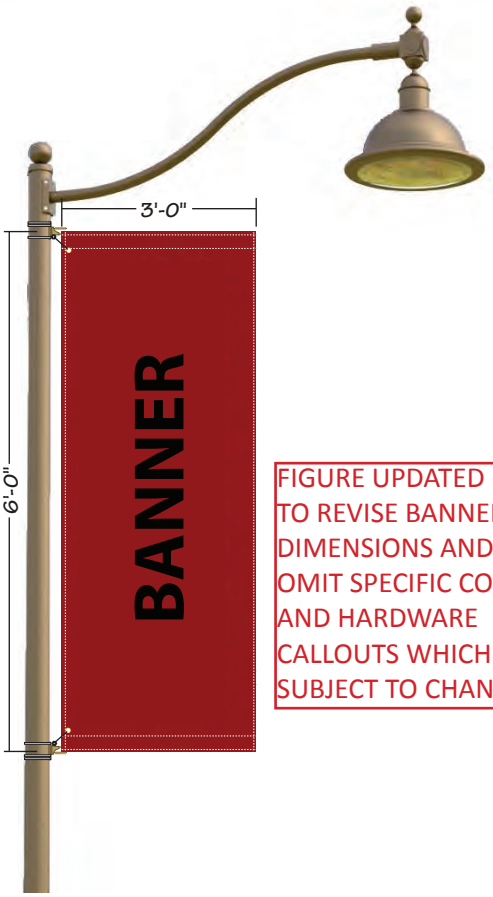


FIGURE UPDATED TO REVISE BANNER DIMENSIONS AND TO OMIT SPECIFIC COLOR AND HARDWARE CALLOUTS WHICH ARE SUBJECT TO CHANGE

Banner shown as conceptual design intent.

- Pedestrian scale fixtures are encouraged over “high mast” poles, especially within neighborhoods.
- Consistent lighting fixtures shall be used throughout the Specific Plan Area to enhance community character.
- House-side shields shall be utilized where applicable to prevent light source glare onto adjacent property.



Lighting Family shown as conceptual design intent. Available through Associated Lighting Reps., Inc. (510) 638-3800, South Coast Lighting (714) 931-4597, or equivalent

ORIGINAL PAGE PROVIDED FOR REFERENCE

~~Spine Road~~
~~Light Standard~~

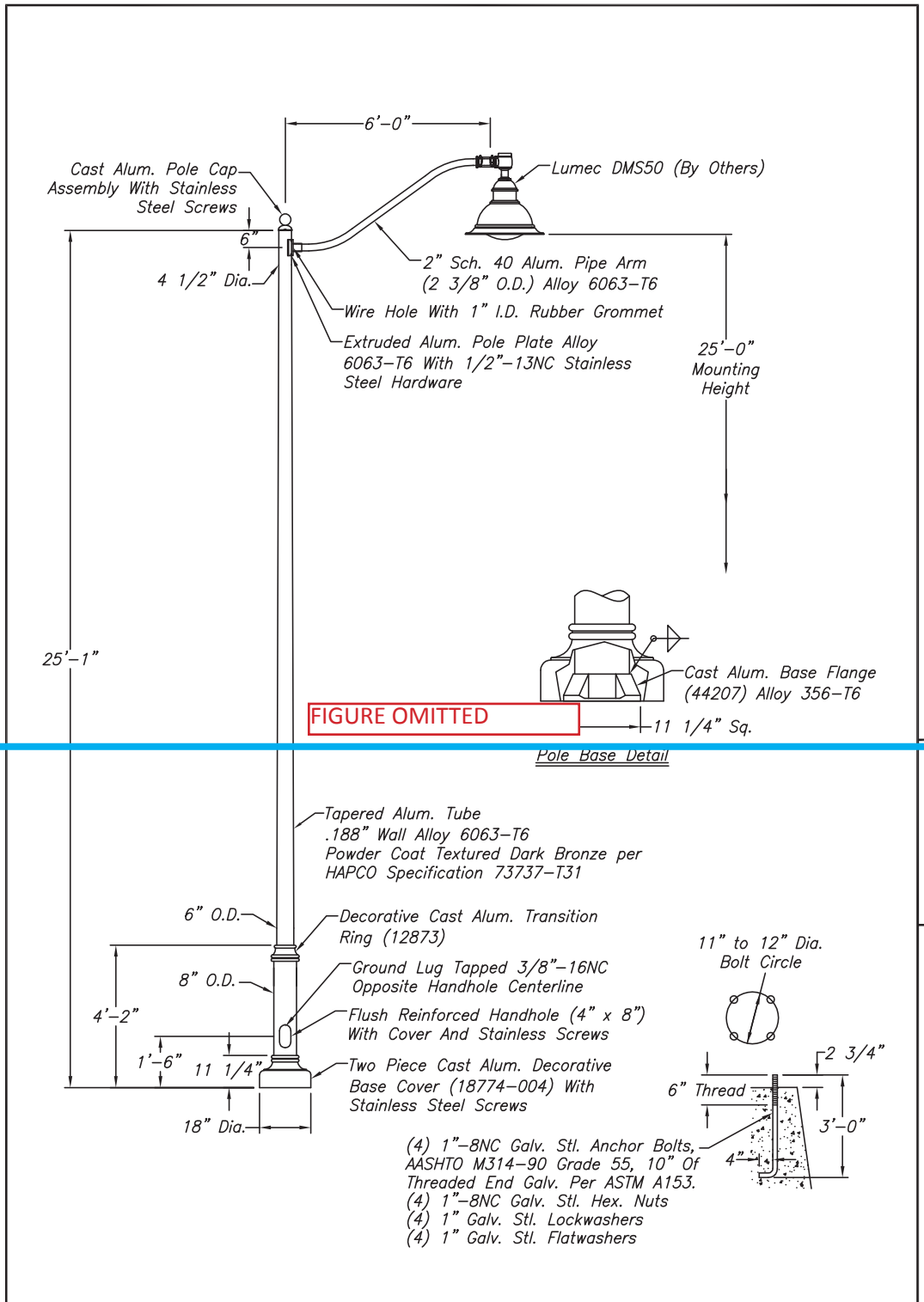


FIGURE OMITTED

B32687

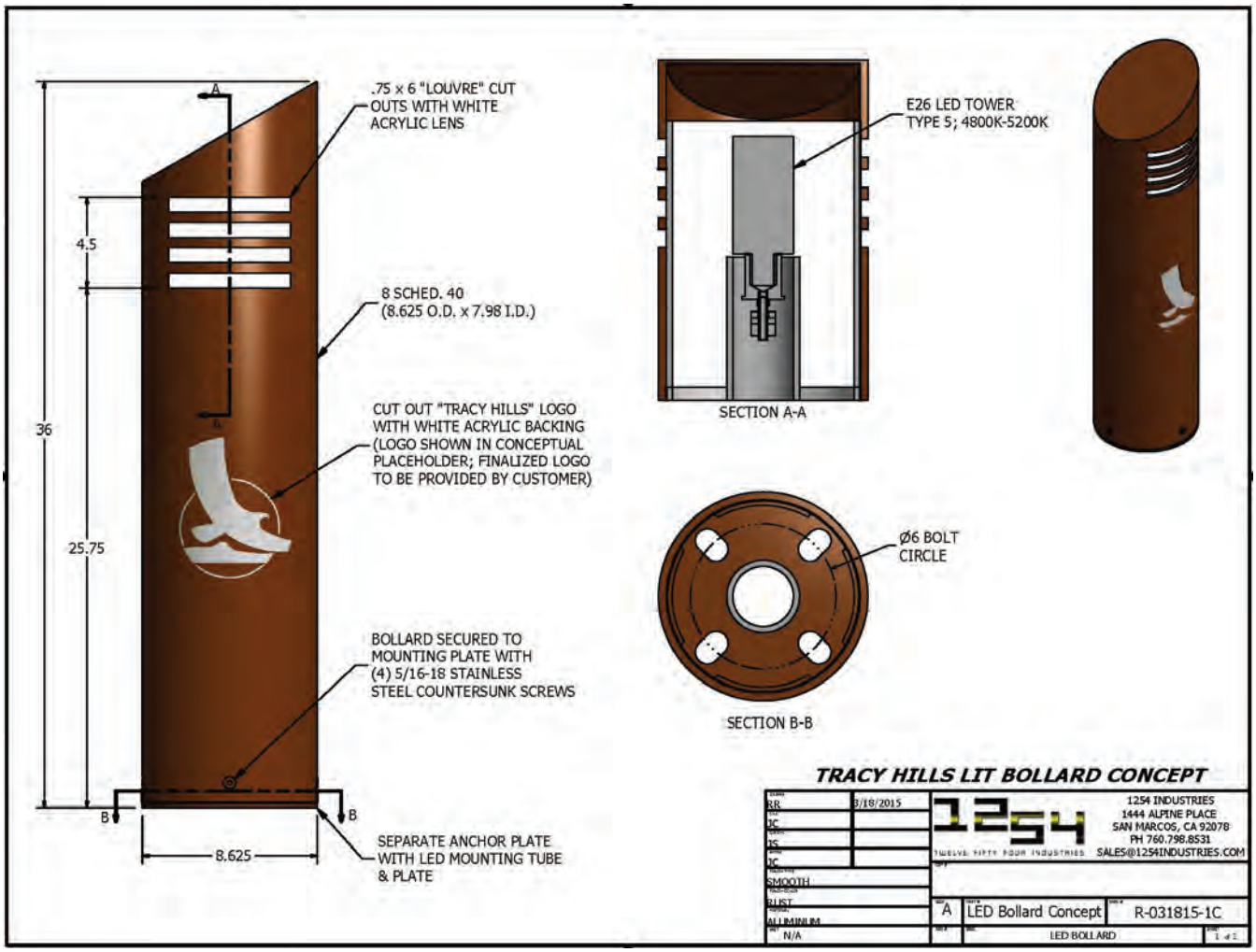
WARNING: DO NOT INSTALL LIGHTING POLES WITHOUT LUMINAIRES

NO.	REVISIONS	DATE

hapco
Abingdon, Va.

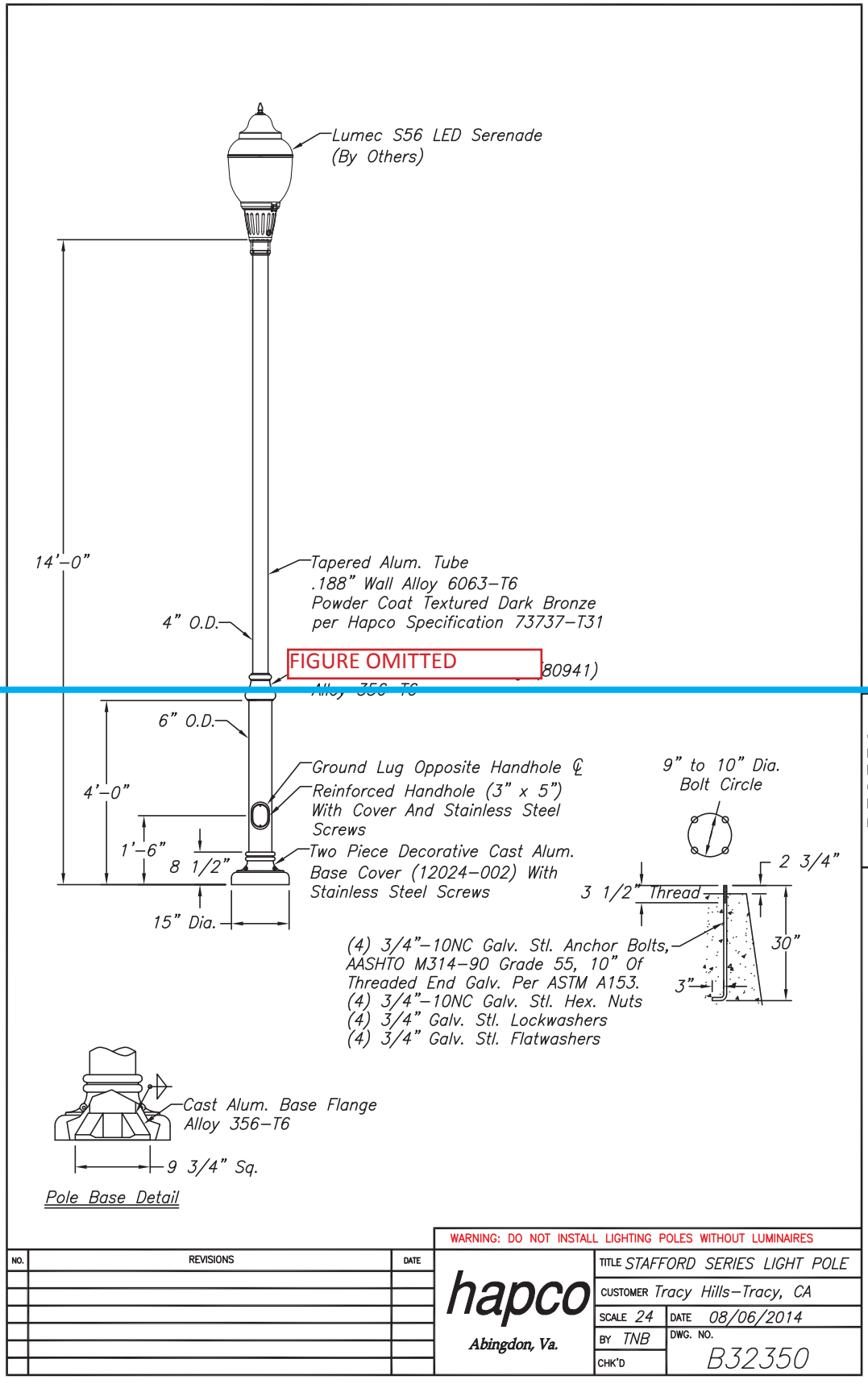
TITLE	STAFFORD SERIES LIGHT POLE
CUSTOMER	Tracy Hills Project
SCALE 32	DATE 08/04/2014
BY TNB	DWG. NO. B32687
CHK'D	

Lighting Family shown as conceptual design intent. Available through Associated Lighting Reps., Inc. ~~or equivalent~~ (510) 638-3800



Lighting Family shown as conceptual design intent.

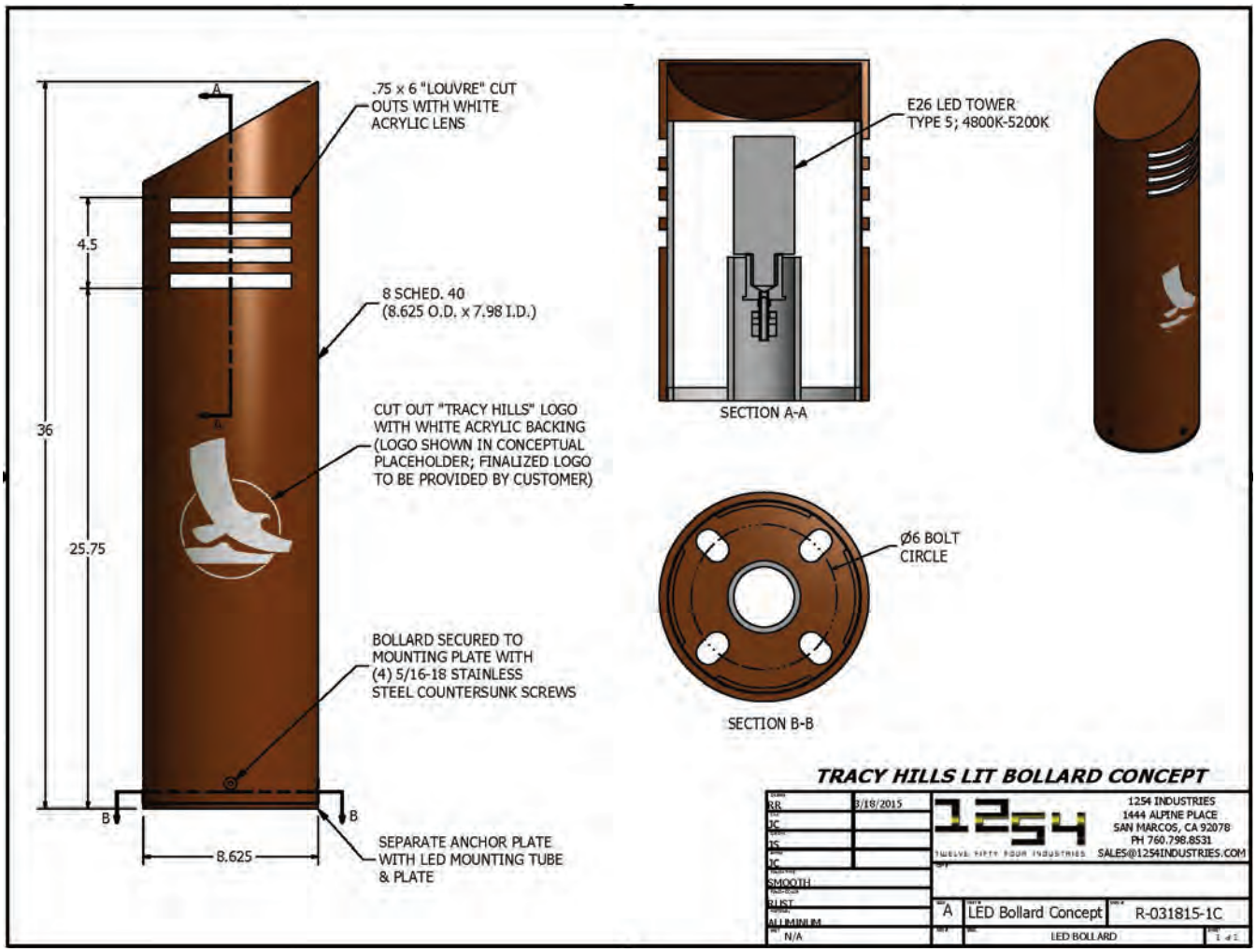
~~In-Tract Light Standard~~



~~Lighting Family shown as conceptual design intent. Available through Associated Lighting Reps., Inc. or equivalent (510) 638-3800~~

Page Intentionally Blank

FIGURE MOVED TO PAGE 3-73
AND THIS PAGE LEFT BLANK.



Lighting Family shown as conceptual design intent.

4.5 WASTEWATER COLLECTION AND TREATMENT

Wastewater will be collected in a community-wide sewer system with treatment and disposal as described in the City of Tracy Wastewater Master Plan. In general, on-site wastewater will be conveyed to a City pump station to be built within the first phase of development. This facility will pump wastewater up Corral Hollow Road to a point after which gravity will convey the project wastewater to the City treatment plant for treatment and disposal.

4.5.1 Wastewater Collection System and Treatment

Using the Tracy Hills **Land Use Concept**, **Figure 1-3,** and aerial topography, an initial delineation of sanitary sewer flow shed areas has been determined. Using these shed areas, the sewer main paths and primary collection locations were established. These collection locations, when evaluated in context with existing topography, dictated the route of the sewer mains towards the proposed sewer pump station.

All public utility mains will be installed in public rights-of-way or easements, unless specifically approved by the City Engineer. Sanitary sewer service laterals may be located under residential driveways.

Layout of the sewer collection facilities is premised upon design of a complete gravity flow system west of I-580. Numerous constraints (I-580, California Aqueduct and Delta-Mendota Canal) exist that complicate gravity service. It will be necessary to provide one pump station between I-580 and the California Aqueduct and the potential for additional lift stations between the Aqueduct and the Delta-Mendota Canal and east of Corral Hollow Road depending on final site design. **Figure 4-10, Wastewater Collection System**, provides the probable layout of the collection facilities and the required pump station.

Average daily wastewater flows are estimated using the land use summary approved herein and unit generation factors from the City of Tracy Wastewater Master Plan. Refer to the approved Tracy Hills Phase 1A and Phase 1B sewer study dated October 6, 2014, for additional information.

4.5.2 Wastewater Treatment

Sewer generated from the Tracy Hills development will be treated at the Wastewater Treatment plant per the City of Tracy Wastewater Master Plan.

The main sewer conveyance pipelines will be installed from approximately W. Schulte Road, south in Corral Hollow Road to the project. The entire project will gravity flow to a proposed sewer pump station within the first phase of development. The pump station will convey wastewater via force main north in Corral Hollow Road to past the California Aqueduct where it will gravity flow north.

4.5.3 Trench Requirements

Changes to existing City standards pertaining to hillside development resulting from different geotechnical and site condition requirements will be addressed to update applicable existing City standards. Any associated costs will be paid for by the developer requesting the update. Use of native material for bedding or backfill will be based on geotechnical recommendations.

VESTING TENTATIVE MAP - TRACT 3954

TRACY HILLS - VILLAGE 7C

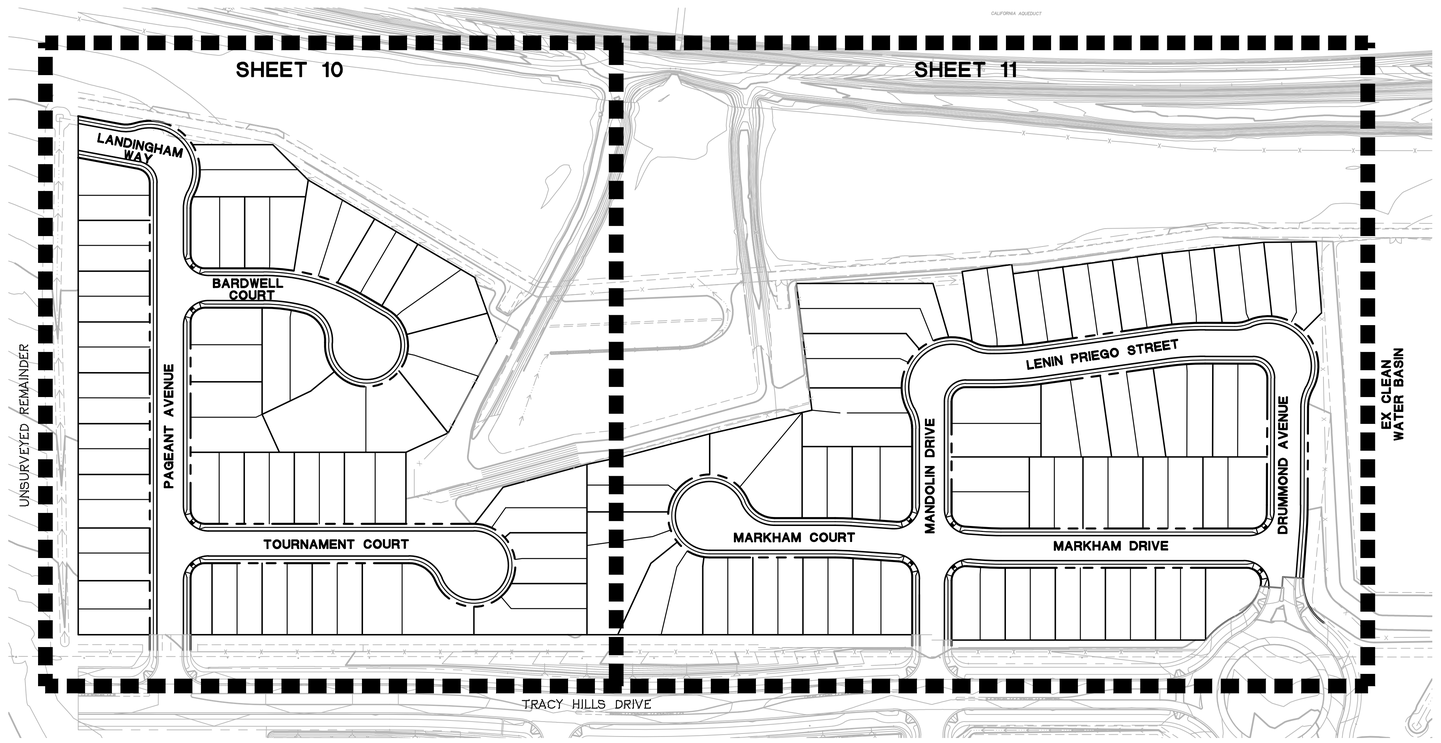
CITY OF TRACY, COUNTY OF SAN JOAQUIN, CALIFORNIA

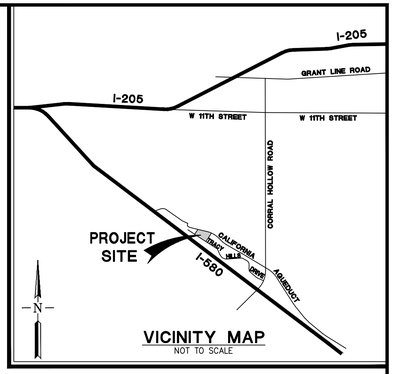
BASIS OF BEARING:

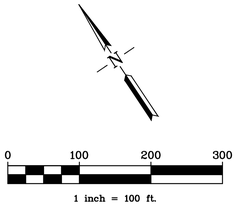
THE LINE BETWEEN TWO FOUND MONUMENTS AS SHOWN ON THE RECORD OF SURVEY FILED JUNE 26, 2007, IN BOOK 36 OF SURVEYS AT PAGE 118, OFFICIAL RECORDS OF SAN JOAQUIN, TAKEN AS N44°38'35"W, IS THE BASIS OF BEARING FOR THIS MAP.

BENCHMARK:

BASIS OF ELEVATIONS:
PER GEOLOGIC CONTROL NETWORK RECORD OF SURVEY FOR CITY OF TRACY. RECORDED BOOK 36 PAGE 118 ELEVATION SHOWN ARE IN TERMS OF NORTH AMERICAN VERTICAL DATUM OF 1988 (NAVD88). BASED LOCALLY UPON ELEVATION FOR THE FOLLOWING BENCHMARKS AS PUBLISHED BY THE NATIONAL GEODETIC SURVEY:
PT. 3022 "L1259 1974" ELEV. 250.25'







LOCATION/INDEX MAP

SCALE: 1" = 100'

LEGEND

PROPOSED	DESCRIPTION	EXISTING
	TRACT BOUNDARY	
	EASEMENT LINE	
	LOT LINE	
	RIGHT OF WAY	
	CENTER LINE	
	FLOW LINE	
12"SD	STORM DRAIN	EX 12"SD
8"SS	SANITARY SEWER	EX 12"SS
8"W	WATER	EX 8"W
8"RCW	RECLAIMED WATER	EX 8"RCW
	RETAINING WALL	
	SOUND WALL	
	DRAINAGE DITCH/SWALE	
	CURB & GUTTER	
	SIDEWALK	
	PAVED ACCESS ROAD/EVA	
	TRAIL	
	STORM WATER INLET	
	FIELD INLET	
	MANHOLE	
	FIRE HYDRANT	
	BLOWOFF RISER	
	GATE VALVE	
x x x	FENCE	x x x
	SLOPE	
130	CONTOUR ELEVATIONS	130
x 525.2	SPOT ELEVATION	×525.2
	MONUMENT	

SHEET INDEX

SHEET NO.	DESCRIPTION
1	TITLE SHEET
2	EXISTING CONDITION PLAN
3	STREET SECTIONS AND DETAILS
4	RESIDENTIAL LOT AREA SUMMARY
5	STORM DRAIN DETAILS
6	OWNERSHIP EXHIBIT
7	OVERALL SANITARY SEWER PLAN
8	OVERALL STORM DRAIN SYSTEM PLAN
9	OVERALL WATER SYSTEM PLAN
10	VILLAGE 6B
11	VILLAGE 6B

ABBREVIATIONS

(#)	DENOTES SHEET NOTE NUMBER	JUT	JOINT UTILITY TRENCH
AB	AGGREGATE BASE	LP	LOW POINT
AC	ASPHALT CONCRETE	P	PAD ELEVATION
BLDG	BUILDING	PAE	PRIVATE ACCESS EASEMENT
C & G	CURB & GUTTER	PUE	PUBLIC UTILITY EASEMENT
CMP	CORRUGATED METAL PIPE	R	RADIUS
DG	DECOMPOSED GRANITE	RCW	RECLAIMED WATER
DRN	DRAINAGE OPEN SPACE	REC	RECREATIONAL
EX	EXISTING	RET	RETAINING WALL
FC	FACE OF CURB	ROW	RIGHT OF WAY
FSW	FRONT OF SIDEWALK	SD	STORM DRAIN
GB	GRADE BREAK	SS	SANITARY SEWER
HP	HIGH POINT	SSFM	SANITARY SEWER FORCE MAIN
		TC	TOP OF CURB
		W	WATER

GENERAL NOTES:

1. OWNER/DEVELOPER: KPMW INTEGRAL, LLC
672 W. 11TH STREET, SUITE 104
TRACY, CA 95376
CONTACT: JOHN PALMER

2. CIVIL ENGINEER: RUGGERI-JENSEN-AZAR
2541 WARREN DRIVE, SUITE 100
ROCKLIN, CA 95677
(916) 630-8900
CONTACT: SEAN DAVIS, RCE 58441

3. GEOTECHNICAL ENGINEER: ENGEO INCORPORATED
17278 GOLDEN VALLEY PARKWAY
LATHROP, CA 95330
(209) 835-0610
CONTACT: STEVE HARRIS, GE

4. ASSESSOR'S PARCEL NUMBERS: 253-037-04
253-037-13

5. LEGAL DESCRIPTION: PER FIRST AMERICAN TITLE PRELIMINARY REPORT ORDER NUMBER 5300-3954MAP6 DATED: DECEMBER 27, 2019

REAL PROPERTY IN THE CITY OF TRACY, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 17 AND 18, AS SHOWN ON THE SUBDIVISION MAP FOR TRACT 3878, TRACY HILLS, FILED FOR RECORD JANUARY 26, 2018 IN BOOK 43 OF MAPS AND PLATS, AT PAGE 17, RECORDERS SERIES NO. 2018-009290, SAN JOAQUIN COUNTY RECORDS.

EXCEPTING THEREFROM ALL OIL, GAS, MINERAL AND HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BELOW THE SURFACE, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN THE DEED RECORDED JULY 20, 1992 AS DOCUMENT NO. 1992-83244 SAN JOAQUIN COUNTY RECORDS, AS TO THE PORTION OF SAID LAND DESCRIBED THEREIN.

6. CURRENT USE: VACANT (RESIDENTIAL)
7. ZONING: TRACY HILLS SPECIFIC PLAN
8. GENERAL PLAN LAND USE DESIGNATION: RESIDENTIAL LOW (LDR-TH)
9. GROSS AREA: 18.8± ACRES
10. TOTAL PROPOSED RESIDENTIAL LOTS: 132 LOTS
11. UTILITIES:

WATER:	CITY OF TRACY
GAS & ELECTRIC:	PACIFIC GAS & ELECTRIC
SANITARY SEWER:	CITY OF TRACY
STORM DRAIN:	CITY OF TRACY
FIRE:	CITY OF TRACY
TELEPHONE:	AT&T
CABLE TV:	COMCAST

12. TOPOGRAPHY SHOWN IS BASED ON GRADING PLAN PREPARED BY RUGGERI-JENSEN-AZAR IN OCTOBER 2017.
13. BOUNDARY AS SHOWN IS BASED ON A RESOLVED BOUNDARY PREPARED BY RUGGERI-JENSEN-AZAR IN DECEMBER 2017.
14. THE PROPERTY LIES WITHIN NO SPECIAL FLOOD HAZARD AREA PER FLOOD INSURANCE RATE MAP NUMBER 06077 C0730F (06077CIND0B), EFFECTIVE DATE, OCTOBER 20, 2016.
15. THE DEVELOPER MAY FILE MULTIPLE FINAL MAPS AFTER TENTATIVE MAP APPROVAL.
16. IMPROVEMENTS SHOWN ON THIS VTM ARE SUBJECT TO REVISION IN FINAL DESIGN.

CITY ENGINEER'S STATEMENT

I HEREBY CERTIFY THAT THIS MAP HAS BEEN REVIEWED FOR COMPLIANCE WITH THE REQUIREMENTS OF THE TRACY MUNICIPAL CODE AND THE SUBDIVISION MAP ACT AS TO FORM AND CONTENT.

_____ _____
CITY ENGINEER DATE

PLANNING COMMISSION FILING CERTIFICATE

TENTATIVE MAP FILED THIS ___ DAY OF ___ 20__ IN THE OFFICE OF THE TRACY PLANNING COMMISSION, TRACY, CALIFORNIA. ACCOMPANIED WITH APPROPRIATE FILING FEES. THIS CERTIFICATE DOES NOT DEEM THIS APPLICATION COMPLETE.

CITY COUNCIL CERTIFICATE

I HEREBY CERTIFY THAT THE CITY COUNCIL OF TRACY HAS CONDITIONALLY APPROVED THIS TENTATIVE MAP ____ BY RESOLUTION NO. _____.

_____ _____ _____
CITY CLERK DATE

ENGINEER'S STATEMENT

THIS MAP WAS PREPARED BY RUGGERI-JENSEN-AZAR UNDER MY DIRECTION

_____ _____
SEAN M. DAVIS, RCE 58441 DATE

OWNER/DEVELOPER

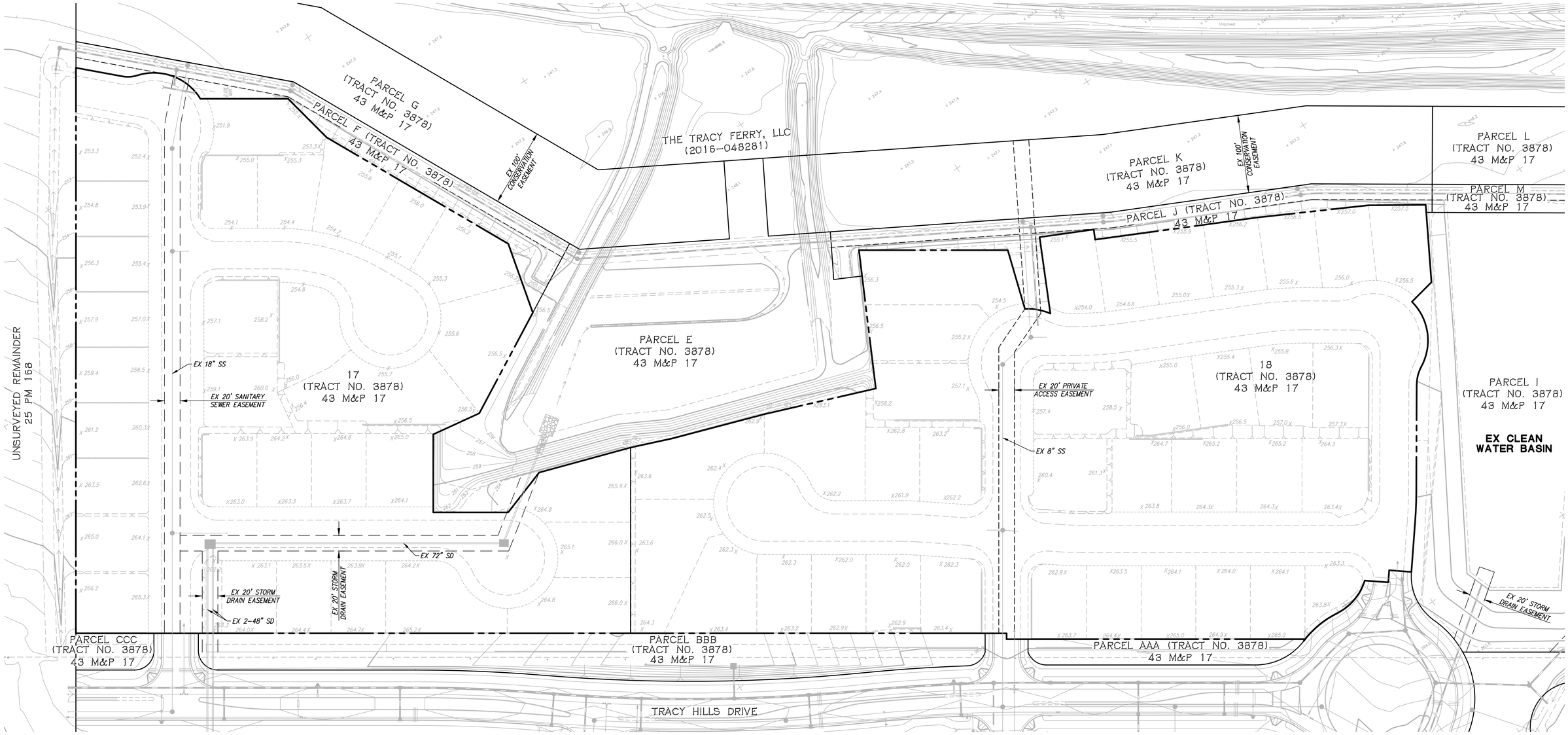
_____ _____
JOHN STANEK, TRACY PHASE 1B, LLC DATE

REGISTERED PROFESSIONAL ENGINEER
SEAN M. DAVIS
No. 58441
Exp. 12/31/20
CIVIL
STATE OF CALIFORNIA

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

DATE: MAY 28, 2020 JOB NO.: 121083V6BVTM SHEET 1 OF 11

G:\2020\121083V6BVTM\MAP\01-TS-121083V6BVTM.DWG 5/27/2020 7:34:20 PM RON MCCLUMPHY



VESTING TENTATIVE MAP - TRACT 3954

EXISTING CONDITION PLAN

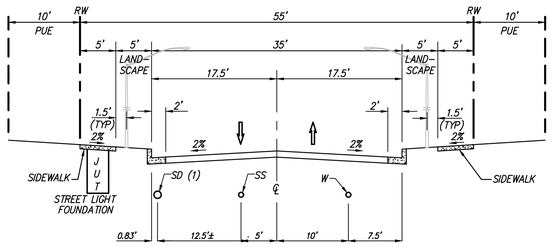
CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITIES

0 60 120 180
(IN FEET)
1 inch = 60 ft.

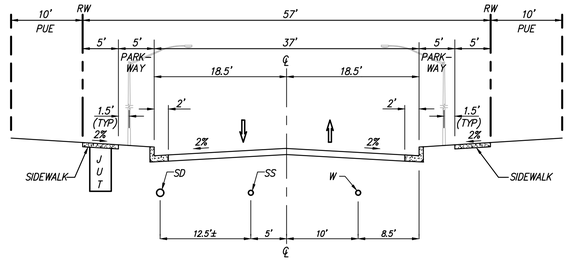
RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

DATE: MAY 28, 2020 JOB NO.: 121083V6BVTM SHEET 2 OF 11

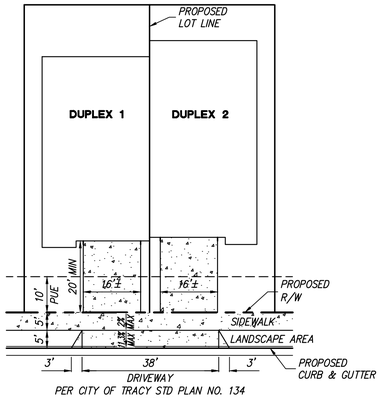
G:\2020\121083\121083V6BVTM\TMAP\02-EX-121083V6BVTMLDWG 5/27/2020 7:46:32 PM RON MCCLUMPHY



INTERNAL RESIDENTIAL STREET
MAXIMUM BLOCK LENGTH OF 500 FEET
NO SCALE



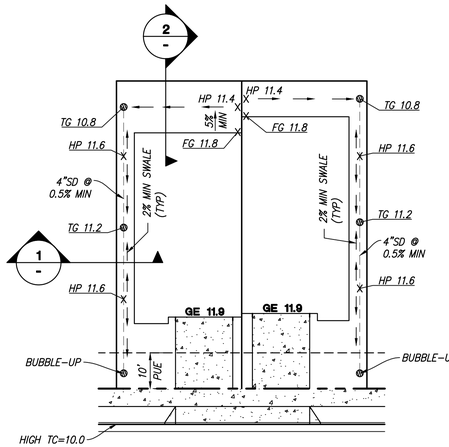
INTERNAL RESIDENTIAL STREET
NO SCALE

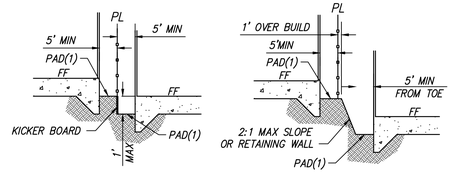


NOTE:

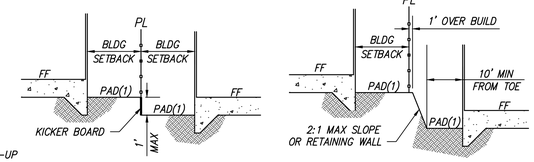
1. SHARED DRIVEWAYS ON KNUCKLES & CUL-DE-SACS SHALL SATISFY THE REQUIREMENTS OF THE DEVELOPMENT STANDARDS.
2. SEWER LATERALS AND CLEANOUTS WILL BE LOCATED WITHIN DRIVEWAYS.
3. ON KNUCKLES AND CUL-DE-SACS WATER SERVICES MAY BE LOCATED IN DRIVEWAYS AND SHALL HAVE A TRAFFIC RATED LID ON THE METER BOX.

DUPLEX SHARED DRIVEWAY & UTILITY DETAIL
SCALE: 1"=20'



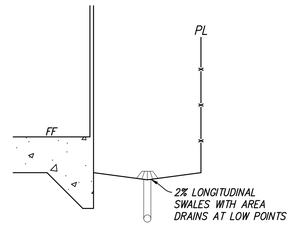


SECTION 1



SECTION 2

TYPICAL LOT GRADING DETAIL
SCALE: 1"=20'
(1) SEE SWALE DETAIL HEREON



SWALE DETAIL
NOT TO SCALE

NOTE: SWALES TO BE SHOWN ON PLOT PLANS

VESTING TENTATIVE MAP - TRACT 3954
STREET SECTIONS AND DETAILS

CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITIES

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

G:\JOBS\2021\121083V6BVTM\DWG\121083V6BVTM_SHT-ST-121083V6BVTM.DWG 5/28/2020 4:32:57 PM SEAN DAVIS

VILLAGE 7C	
LOT #	AREA (SF)
1	3,535
2	3,535
3	3,535
4	3,535
5	3,535
6	3,535
7	3,535
8	3,535
9	3,541
10	4,038
11	5,395
12	5,295
13	3,500
14	4,000
15	3,500
16	4,875
17	3,500
18	4,875
19	3,500
20	5,361
21	5,275
22	4,562
23	4,693
24	4,899
25	4,661
26	4,342
27	4,695
28	5,125
29	5,850
30	6,349
31	4,056
32	3,870
33	3,617

VILLAGE 7C	
LOT #	AREA (SF)
34	3,761
35	3,628
36	3,675
37	3,503
38	3,507
39	3,513
40	3,518
41	3,523
42	3,526
43	3,939
44	3,725
45	7,880
46	6,544
47	5,389
48	5,520
49	4,484
51	4,612
52	3,986
53	3,506
54	3,500
55	7,647
56	6,499
57	8,165
58	4,430
59	4,425
60	10,312
61	5,671
62	5,020
63	3,771
64	3,780
65	3,780
66	3,780
67	3,780

VILLAGE 7C	
LOT #	AREA (SF)
68	3,771
69	4,117
70	4,410
71	3,501
72	3,501
73	3,501
74	3,500
75	3,500
76	3,500
77	5,559
78	7,034
79	6,147
80	3,938
81	3,543
82	3,863
83	4,394
84	6,194
85	4,302
86	4,299
87	3,500
88	3,500
89	3,500
90	3,500
91	3,500
92	3,914
93	5,550
94	4,938
95	5,175
96	5,089
97	5,431
98	5,333
99	11,664
100	8,581

VILLAGE 7C	
LOT #	AREA (SF)
101	5,965
102	6,884
103	6,015
104	4,740
105	3,499
106	3,543
107	4,243
108	5,236
109	4,273
110	3,499
111	3,500
112	3,958
113	5,717
114	4,299
115	4,289
116	3,500
117	3,500
118	3,600
119	3,500
120	3,600
121	3,500
122	3,600
123	3,500
124	3,600
125	3,500
126	3,600
127	3,500
128	3,992
129	3,500
130	3,860
131	3,950
132	3,600

VESTING TENTATIVE MAP - TRACT 3954

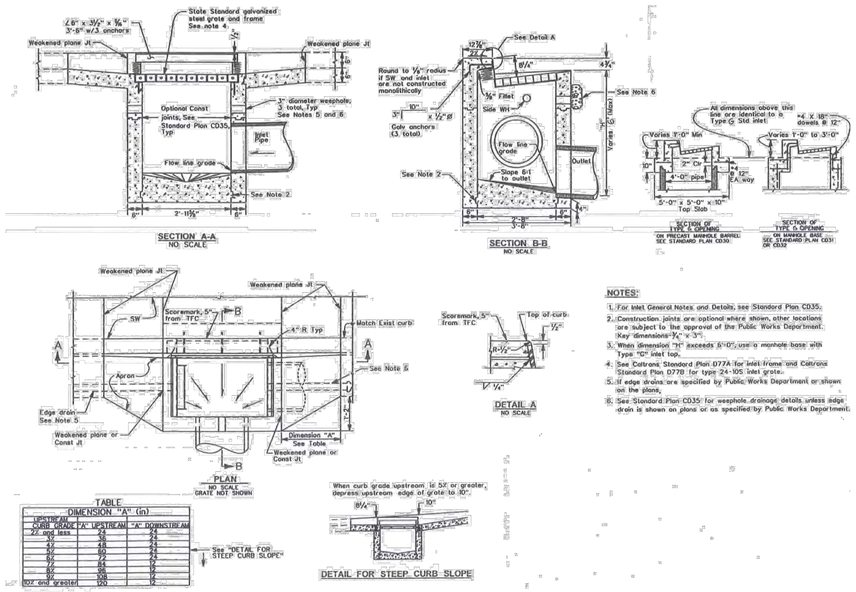
RESIDENTIAL LOT AREA SUMMARY - 132 UNITS

CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA

FOR: INTEGRAL COMMUNITIES

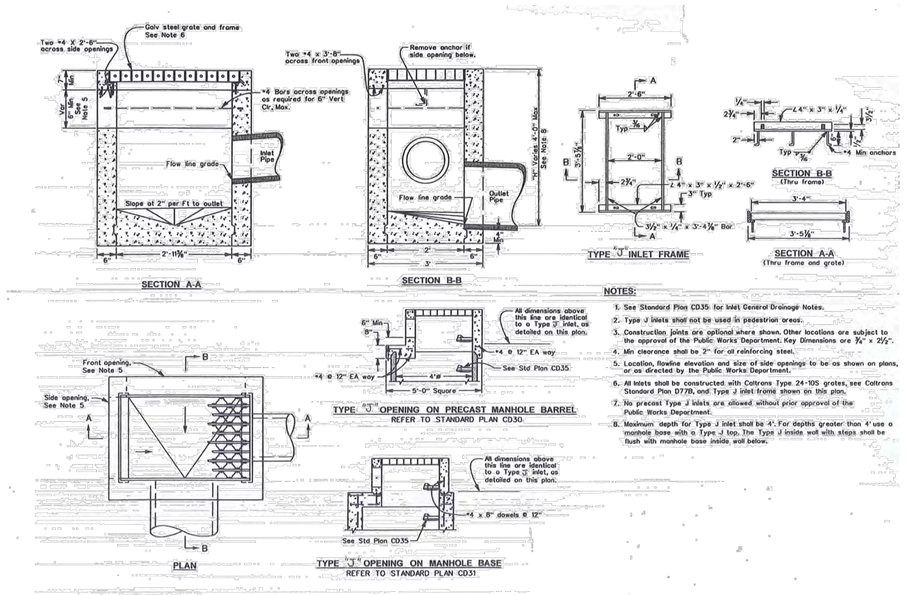
RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

G:\JOBS2012\121083V6BVTM\TMAP\04-LOT AREA-121083V6BVTM.DWG 5/28/2020 1:45:20 PM RON MCCLUMPHY



CD 27 - TYPE "G" INLET

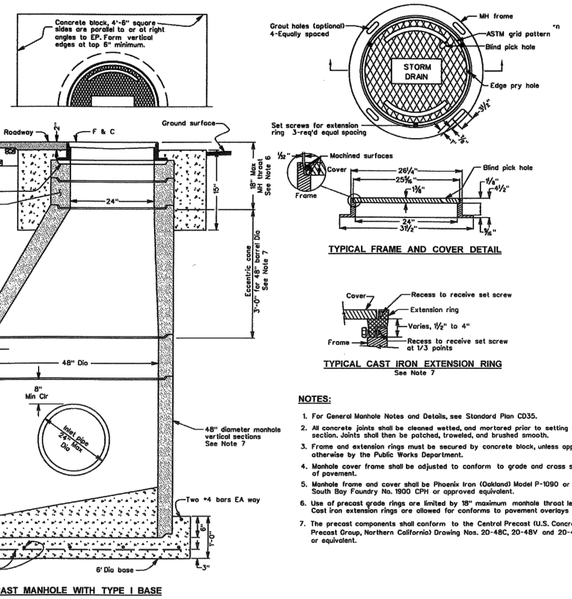
NO SCALE



CD 29 - TYPE "J" INLET

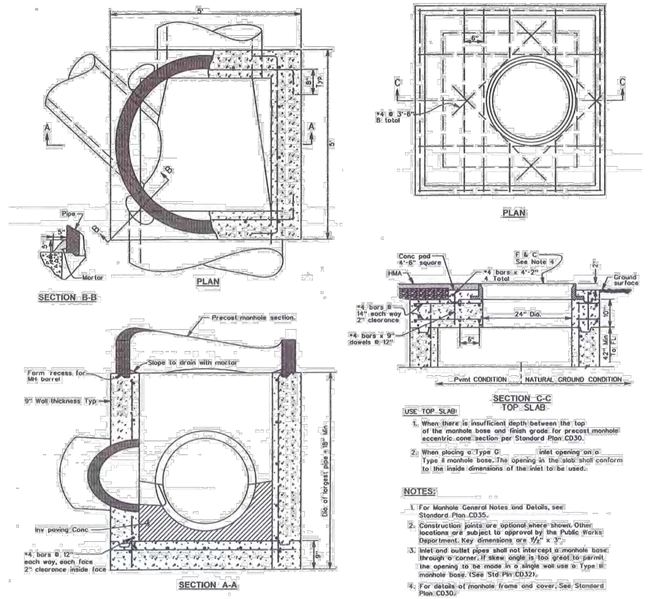
NO SCALE

STORM DRAIN DETAILS SHOWN FOR REFERENCE ONLY - SEE TRACY HILLS DESIGN GUIDELINES



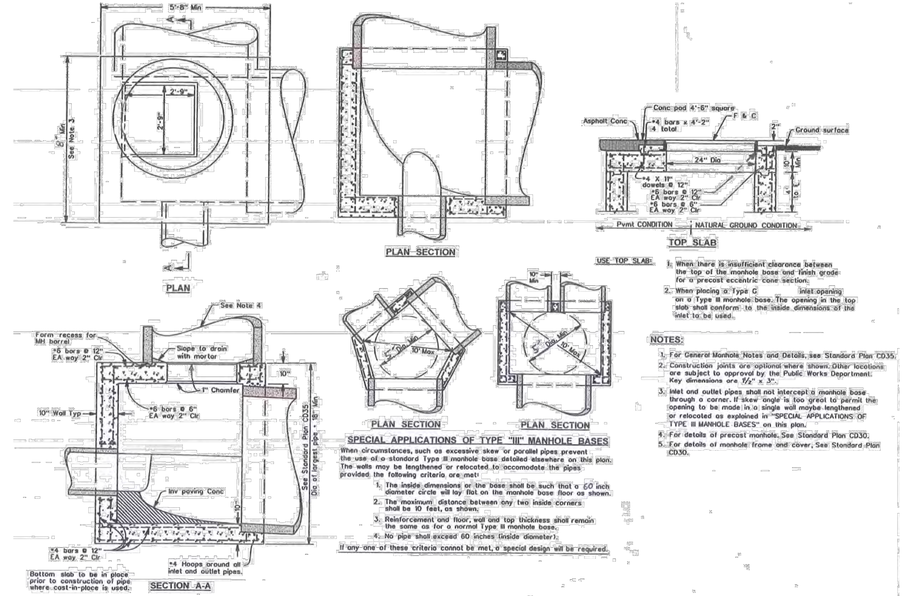
CD 30 - TYPE I MANHOLE BASE

NO SCALE



CD 31 - TYPE II MANHOLE BASE

NO SCALE



CD 32 - TYPE III MANHOLE BASE

NO SCALE

VESTING TENTATIVE MAP - TRACT 3954

STORM DRAIN DETAILS

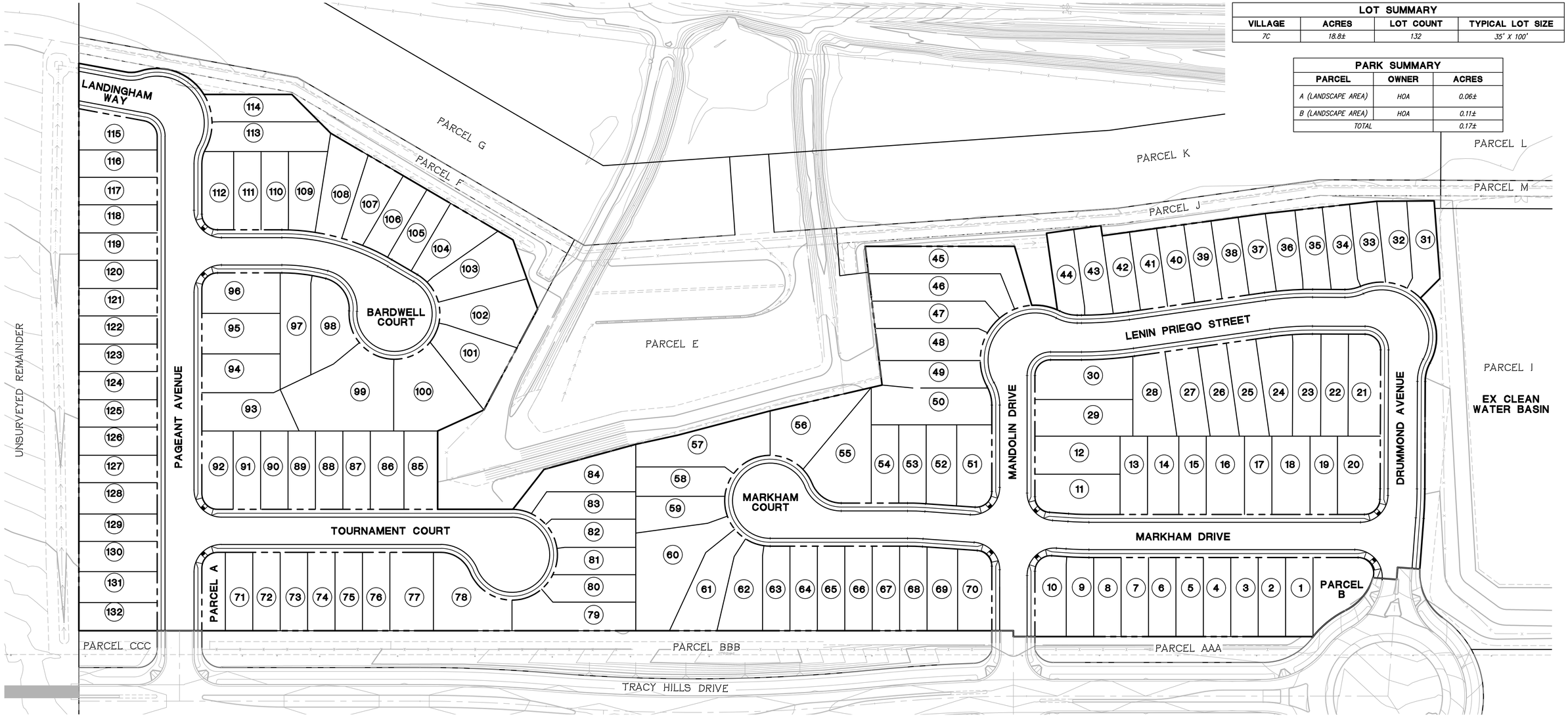
CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITIES

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

O:\JOBS\2012\121083\6BVTM\TMAP\DS-DET-121083V6BVTM.DWG 1/10/2020 8:51:45 AM RON MCCLIMPHY

LOT SUMMARY			
VILLAGE	ACRES	LOT COUNT	TYPICAL LOT SIZE
7C	18.8±	132	35' X 100'

PARK SUMMARY		
PARCEL	OWNER	ACRES
A (LANDSCAPE AREA)	HOA	0.06±
B (LANDSCAPE AREA)	HOA	0.11±
TOTAL		0.17±



0 60 120 180

(IN FEET)
1 inch = 60 ft.

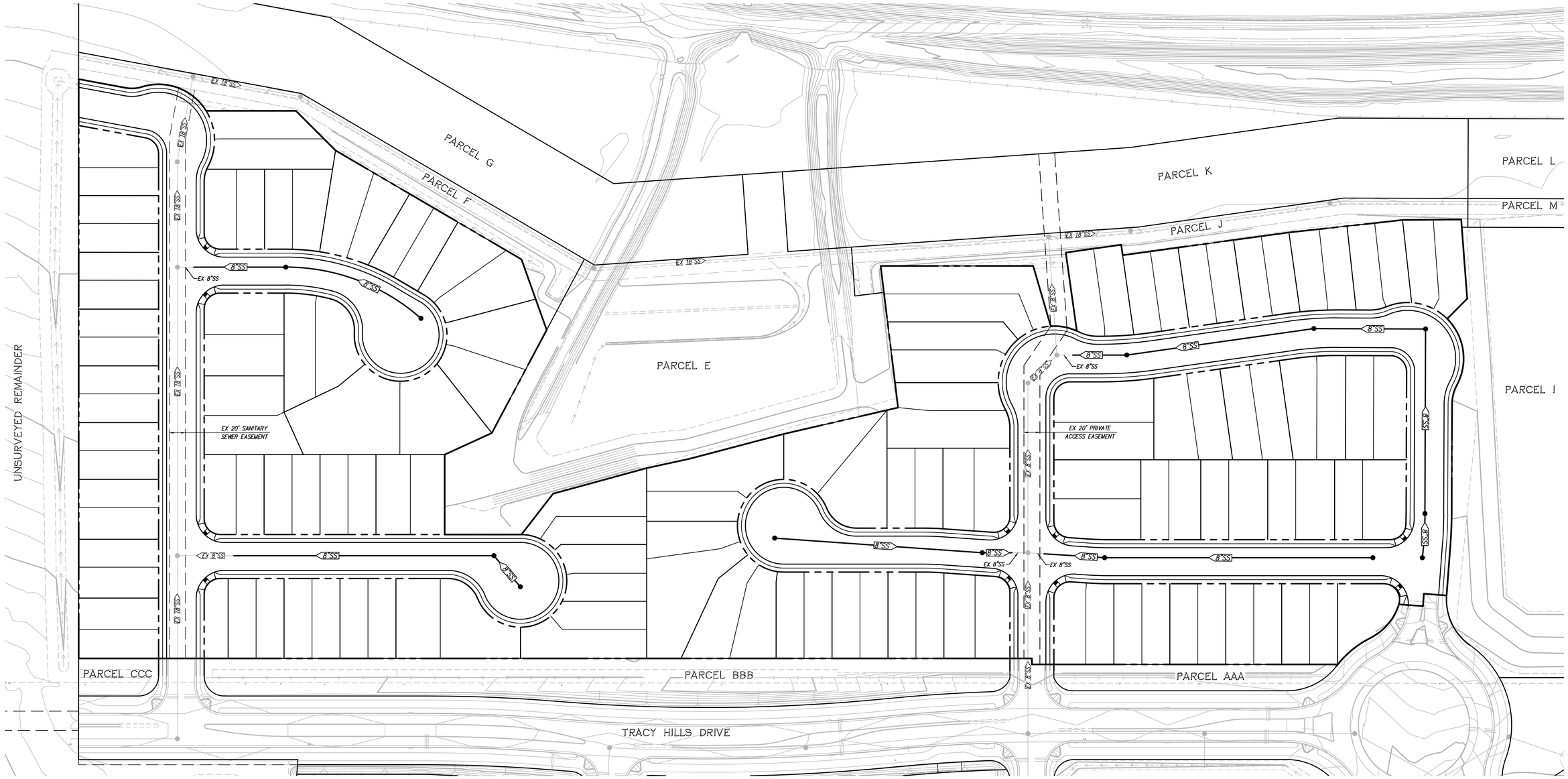
VESTING TENTATIVE MAP - TRACT 3954
OWNERSHIP EXHIBIT

CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITIES

RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

DATE: MAY 28, 2020 JOB NO.: 121083V6BVTM SHEET 6 OF 11

C:\JOBS\2021\121083\VB\PW\TMAP\DR-DWG-121083VBSHTPLOT.DWG 1/10/2020 8:55:33 AM RON MCCLUMPHY



NOTE:

NO SEPARATE SEWER STUDY IS REQUIRED FOR THIS VTM AS AMPLE CAPACITY EXISTS BASED ON THE TIMING OF FUTURE UPSTREAM DEVELOPMENT.

VESTING TENTATIVE MAP - TRACT 3954
OVERALL SANITARY SEWER PLAN

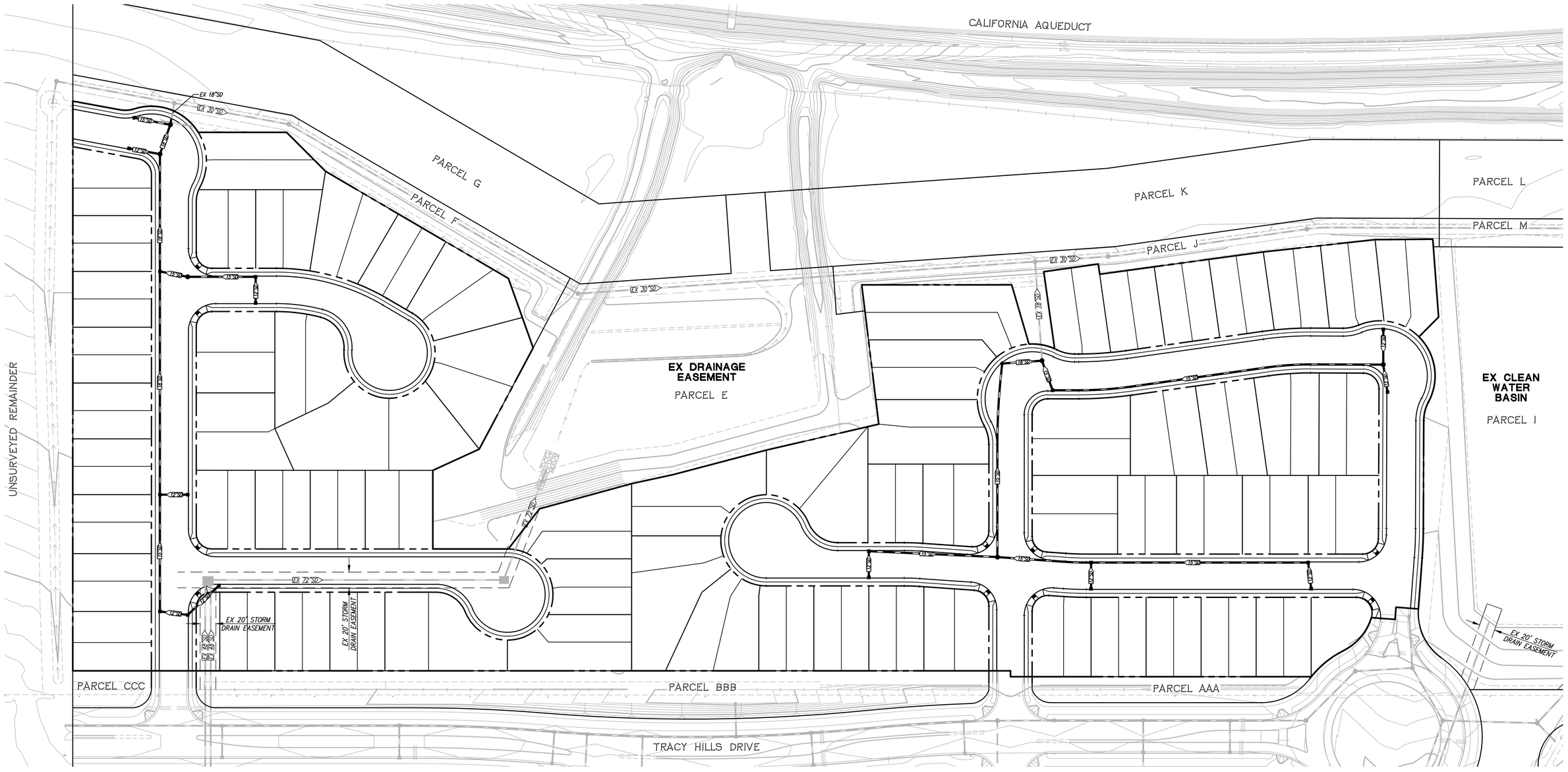
CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITIES

0 60 120 180
(IN FEET)
1 inch = 60 ft.

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

DATE: MAY 28, 2020 JOB NO.: 121083V6BVTM SHEET 7 OF 11

G:\JOBS\2121\121083\V6BVTM\TMAP\07-SS-121083V6BVTM.DWG 5/28/2020 9:53:11 AM RON MCCLUMPHY



NOTE:

NO SEPARATE DRAINAGE STUDY IS REQUIRED FOR THIS VTM AS AMPLE CAPACITY EXISTS, IN THE RETENTION BASIN, BASED ON THE TIMING OF FUTURE UPSTREAM DEVELOPMENT.

VESTING TENTATIVE MAP - TRACT 3954
OVERALL STORM DRAIN PLAN

CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITIES

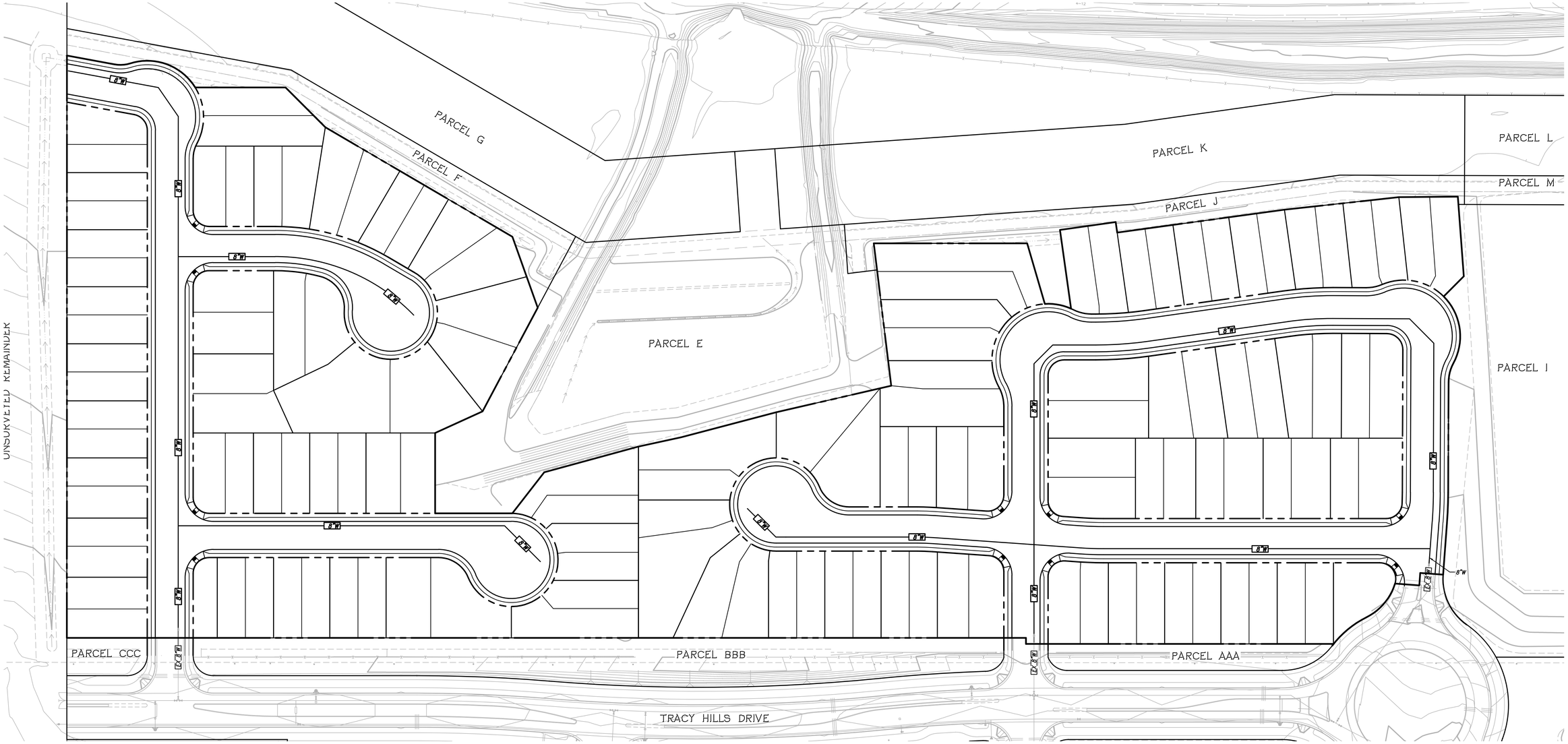
0 60 120 180

(IN FEET)
1 inch = 60 ft.

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

DATE: MAY 28, 2020 JOB NO.: 121083V6BVTM SHEET 8 OF 11

O:\JOBS2012\121083\REBVTM\TMAP\08-SD-121083VREBVTM.DWG 1/10/2020 10:09:00 AM RON MCCLUMPHY



VESTING TENTATIVE MAP - TRACT 3954
OVERALL WATER SYSTEM PLAN

CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITIES

0 60 120 180
(IN FEET)
1 inch = 60 ft.

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

DATE: MAY 28, 2020 JOB NO.: 121083V6BVTM SHEET 9 OF 11

C:\JOBS\2021\121083V6BVTM\TMAP\09-W-121083V6BVTM.DWG 1/10/2020 9:47:27 AM RON MCELMURRY



NOTE:

ALL PAD AND SHEET GRADES SHOWN HEREON HAVE ALREADY BEEN CONSTRUCTED IN ACCORDANCE WITH THE "ROUGH GRADING PLANS – TRACY HILLS" APPROVED 11-7-2017.

VESTING TENTATIVE MAP - TRACT 3954

VILLAGE 7C

CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITIES

0 40 80 120
(IN FEET)
1 inch = 40 ft.

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS ▪ PLANNERS ▪ SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

DATE: MAY 28, 2020 JOB NO.: 121083V6BVTM SHEET 10 OF 11

G:\JOBS\2121\121083\V6BVTM\TMAP\10-VTC-121083V6BVTM.DWG 5/29/2020 11:36:35 AM RON MCCUMPHY



SEE SHEET 10

NOTE:

ALL PAD AND SHEET GRADES SHOWN HEREON HAVE ALREADY BEEN CONSTRUCTED IN ACCORDANCE WITH THE "ROUGH GRADING PLANS – TRACY HILLS" APPROVED 11-7-2017.

0 40 80 120

(IN FEET)
1 inch = 40 ft.

VESTING TENTATIVE MAP - TRACT 3954
VILLAGE 7C

CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITIES

RJA
RUGGERI-JENSEN-AZAR
ENGINEERS • PLANNERS • SURVEYORS
2541 WARREN DRIVE, SUITE 200, ROCKLIN, CA 95677
PHONE: (916) 630-8900 FAX: (916) 630-8909

DATE: MAY 28, 2020 JOB NO.: 121083V6BVTM SHEET 11 OF 11

C:\JOBS\2021\121083\6BVTM\TMAP\11-VTC-121083V6BVTM.DWG, 5/28/2020 12:42:39 PM, RON MCCUMPHY

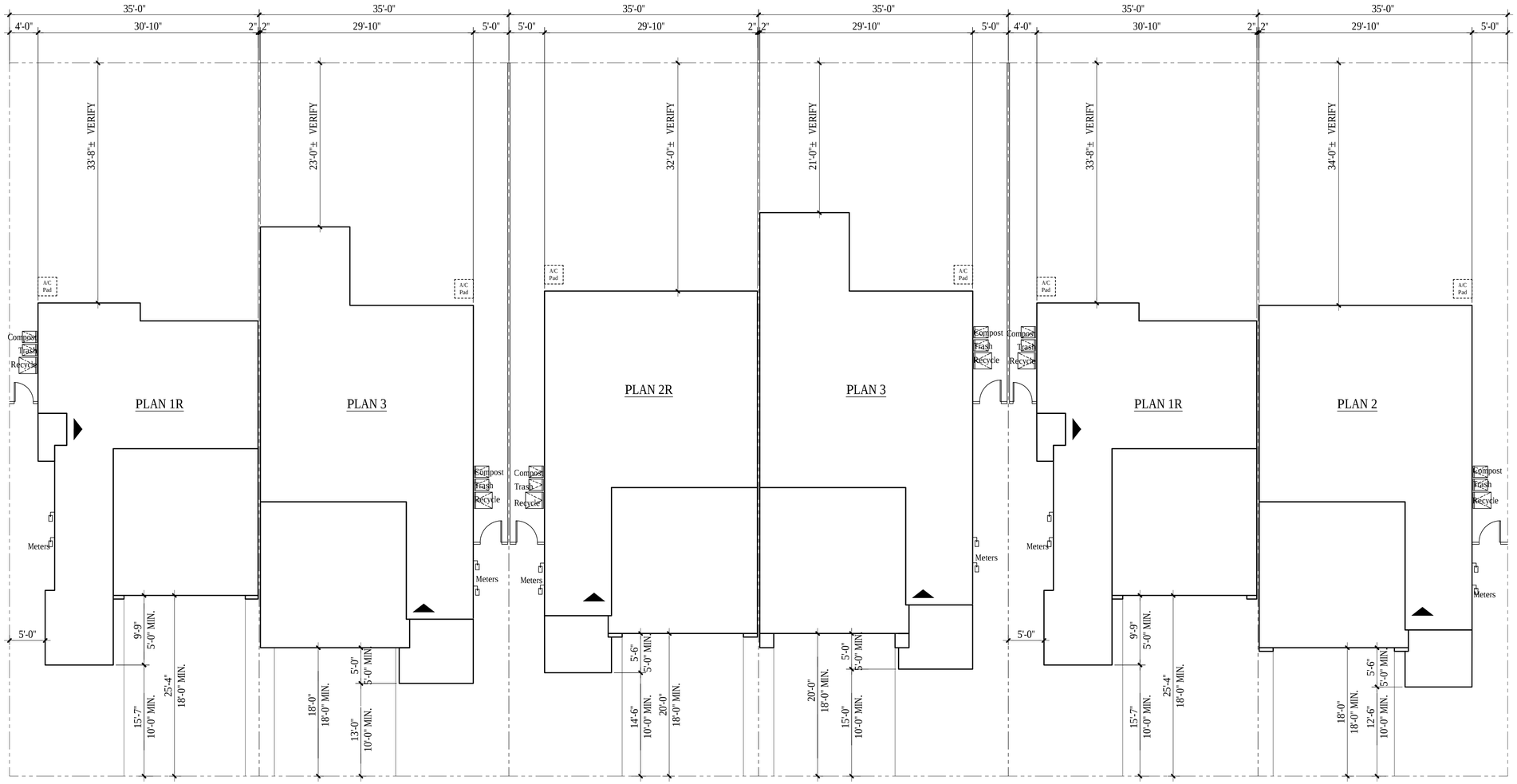
RECEIVED
September 16, 2020
City of Tracy
Development Services



TRACY HILLS DUETS

09/16/2020

ktgy



Plan 1 Lot Coverage	
	AREA (SQ. FT.)
FIRST FLOOR LIVING	832
GARAGE	418
PORCH	23
TOTAL COVERAGE	***1273***
LOT SIZE (35X100)	*3500 SQ. FT.*
ALLOWABLE COVERAGE (70%)	*2450 SQ. FT.*

Plan 3 Lot Coverage	
	AREA (SQ. FT.)
FIRST FLOOR LIVING	1114
GARAGE	420
PORCH	88
TOTAL COVERAGE	***1622***
LOT SIZE (35X100)	*3500 SQ. FT.*
ALLOWABLE COVERAGE (70%)	*2450 SQ. FT.*

Plan 2 Lot Coverage	
	AREA (SQ. FT.)
FIRST FLOOR LIVING	990
GARAGE	420
PORCH	74
TOTAL COVERAGE	***1484***
LOT SIZE (35X100)	*3500 SQ. FT.*
ALLOWABLE COVERAGE (70%)	*2450 SQ. FT.*

Plan 3 Lot Coverage	
	AREA (SQ. FT.)
FIRST FLOOR LIVING	1114
GARAGE	420
PORCH	88
TOTAL COVERAGE	***1622***
LOT SIZE (35X100)	*3500 SQ. FT.*
ALLOWABLE COVERAGE (70%)	*2450 SQ. FT.*

Plan 1 Lot Coverage	
	AREA (SQ. FT.)
FIRST FLOOR LIVING	832
GARAGE	418
PORCH	23
TOTAL COVERAGE	***1273***
LOT SIZE (35X100)	*3500 SQ. FT.*
ALLOWABLE COVERAGE (70%)	*2450 SQ. FT.*

Plan 2 Lot Coverage	
	AREA (SQ. FT.)
FIRST FLOOR LIVING	990
GARAGE	420
PORCH	74
TOTAL COVERAGE	***1484***
LOT SIZE (35X100)	*3500 SQ. FT.*
ALLOWABLE COVERAGE (70%)	*2450 SQ. FT.*

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

SETBACKS & LOT COVERAGE

A0.0



1B-2C
FRONT LEFT PERSPECTIVE

PLAN 1B- MEDITERRANEAN REVIVAL

PLAN 2C- COUNTRY EUROPEAN



1A-3D
FRONT LEFT PERSPECTIVE

PLAN 1A- EARLY CALIFORNIA

PLAN 3D- CRAFTSMAN

ktgy

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

PERSPECTIVE VIEWS

A1.01



PLAN 1R 'A'
Total SF: 1,871 SQ. FT.
3 Bedroom, 2.5 Bath, Office
First Floor: 828 SQ. FT.

PLAN 2 'D'
Total SF: 2,094 SQ. FT.
4 Bedroom, 3 Bath
First Floor: 990 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

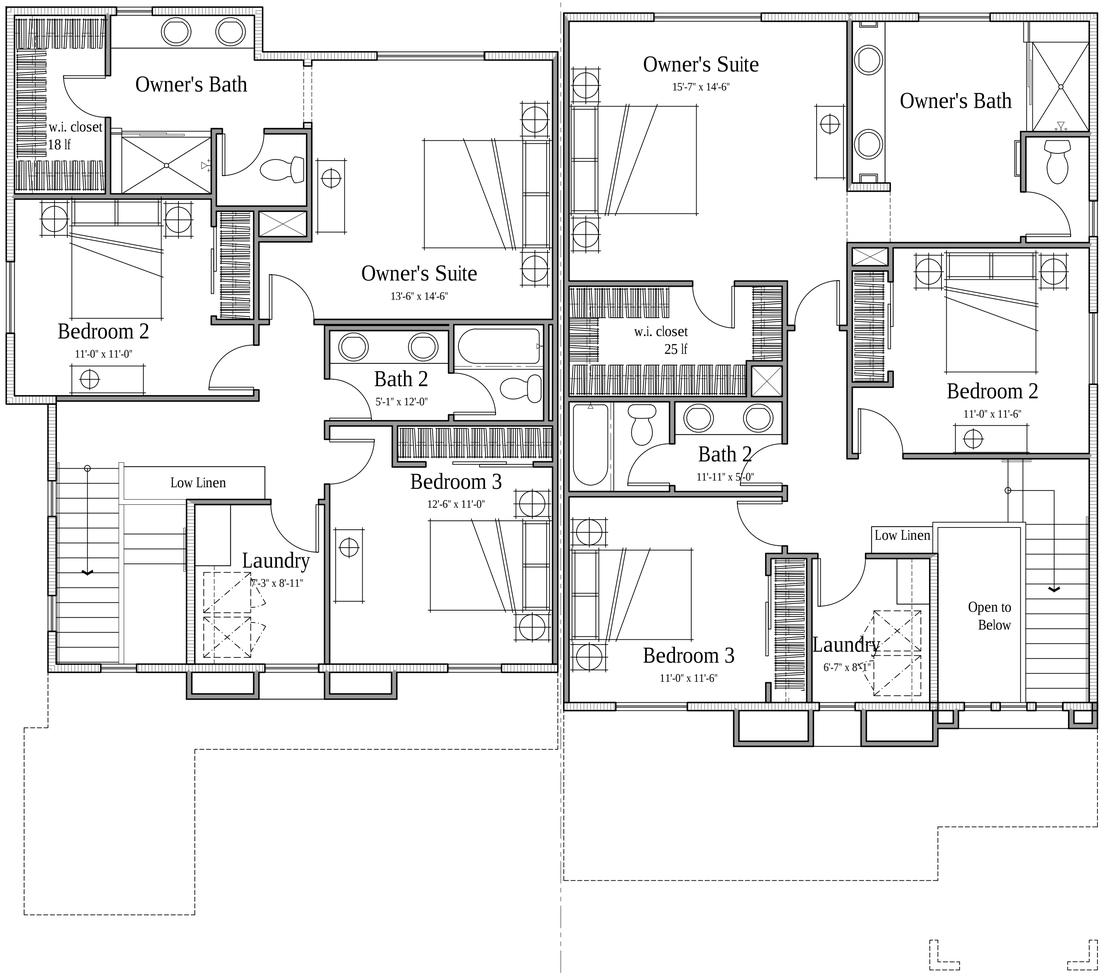
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-2 'A-D' : FIRST FLOOR PLAN

A2.10.0



PLAN 1R 'A'
Second Floor: 1039 SQ. FT.

PLAN 2 'D'
Second Floor: 1104 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

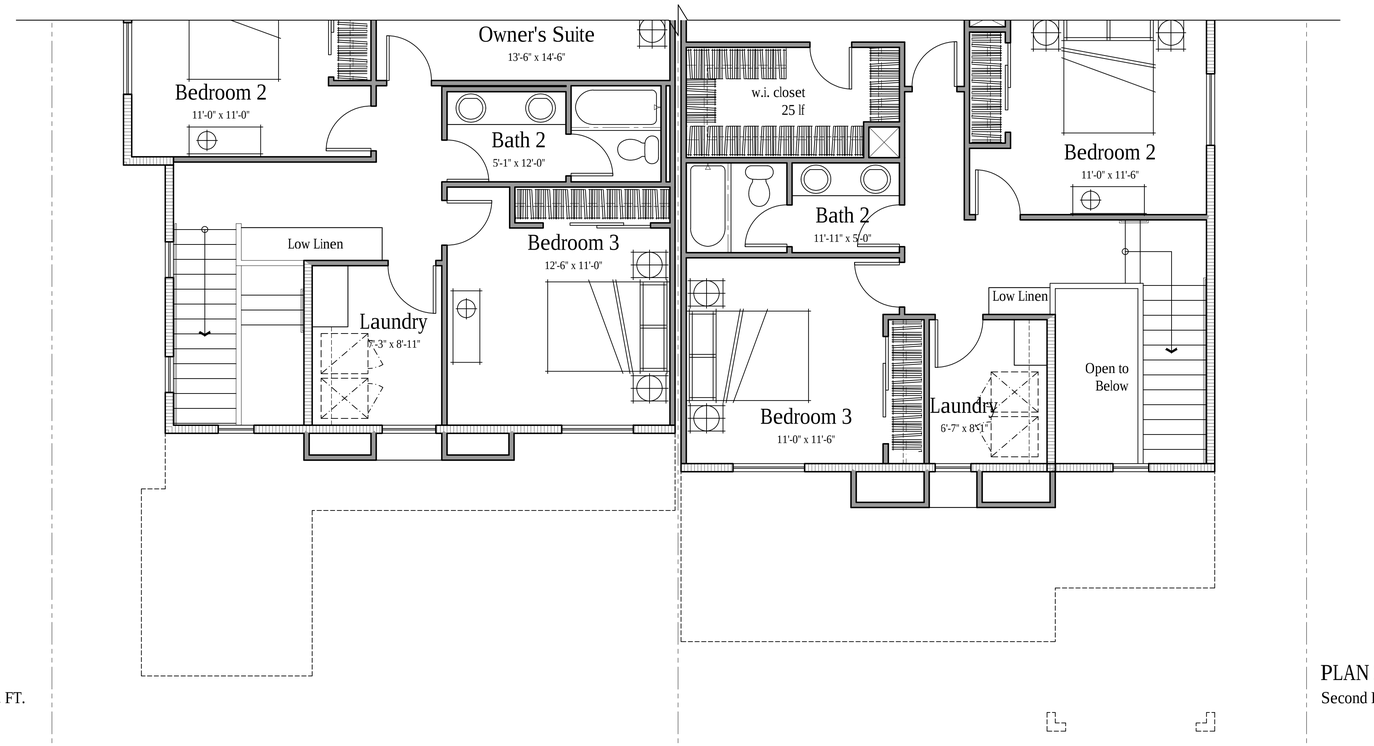
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

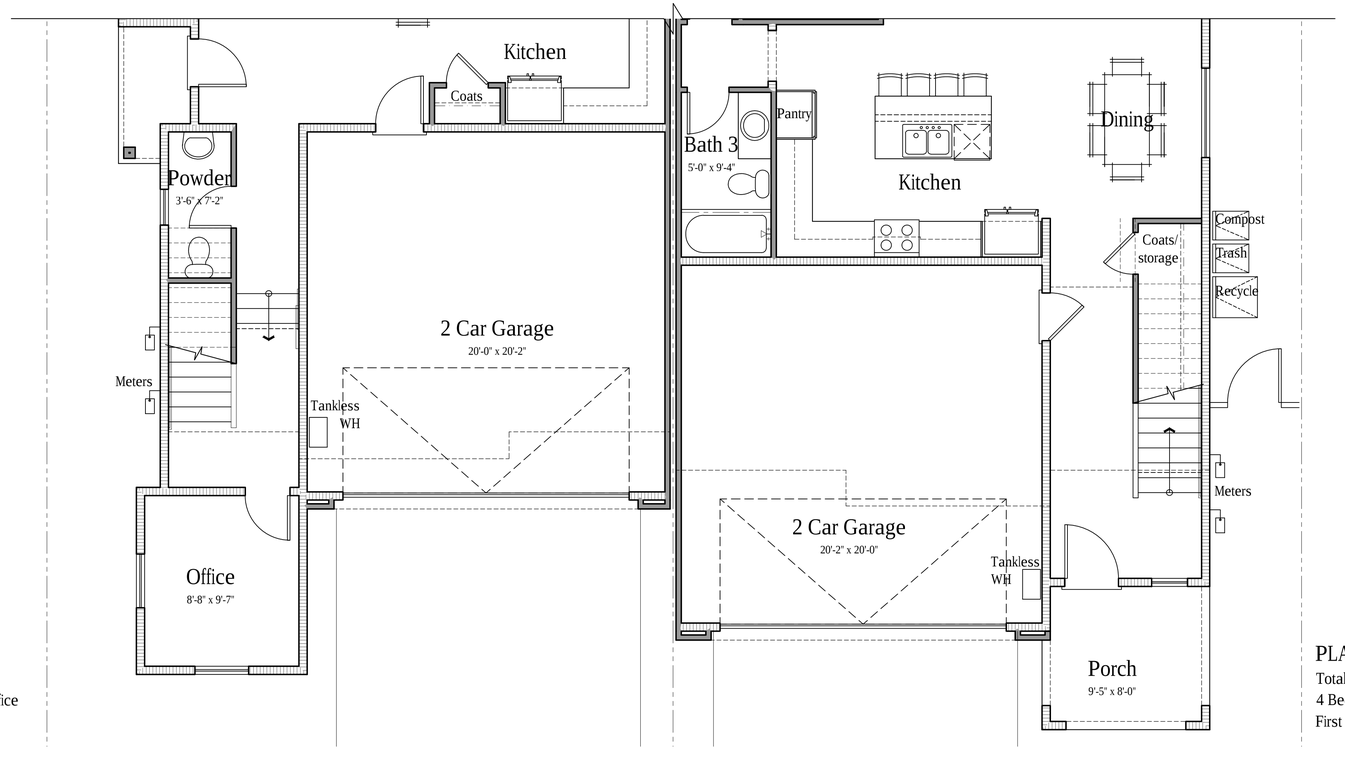
DUET 1R-2 'A-D' : SECOND FLOOR PLAN

A2.10.2



PLAN 1R 'B'
Second Floor: 1039 SQ. FT.

PLAN 2 'C'
Second Floor: 1104 SQ. FT.



PLAN 1R 'B'
Total SF: 1,871 SQ. FT.
3 Bedroom, 2.5 Bath, Office
First Floor: 828 SQ. FT.

PLAN 2 'C'
Total SF: 2,094 SQ. FT.
4 Bedroom, 3 Bath
First Floor: 990 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

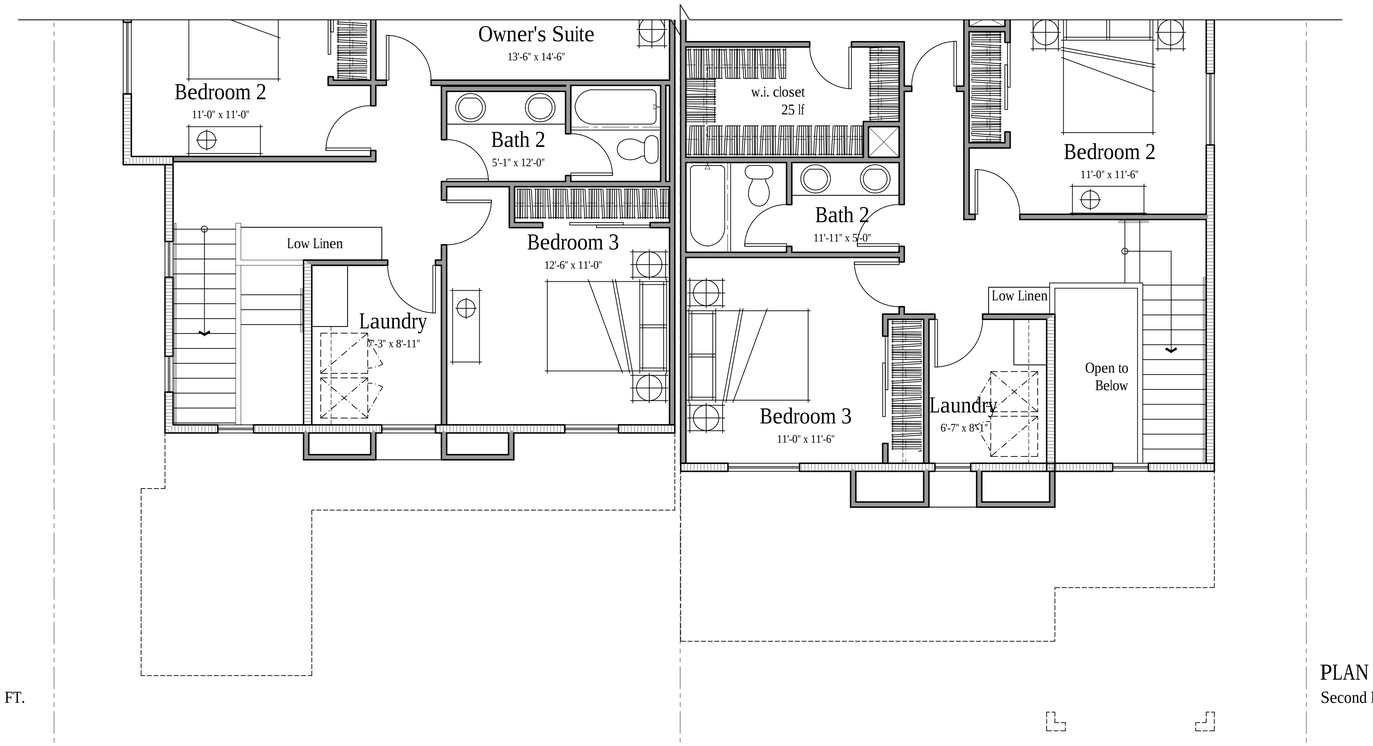
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

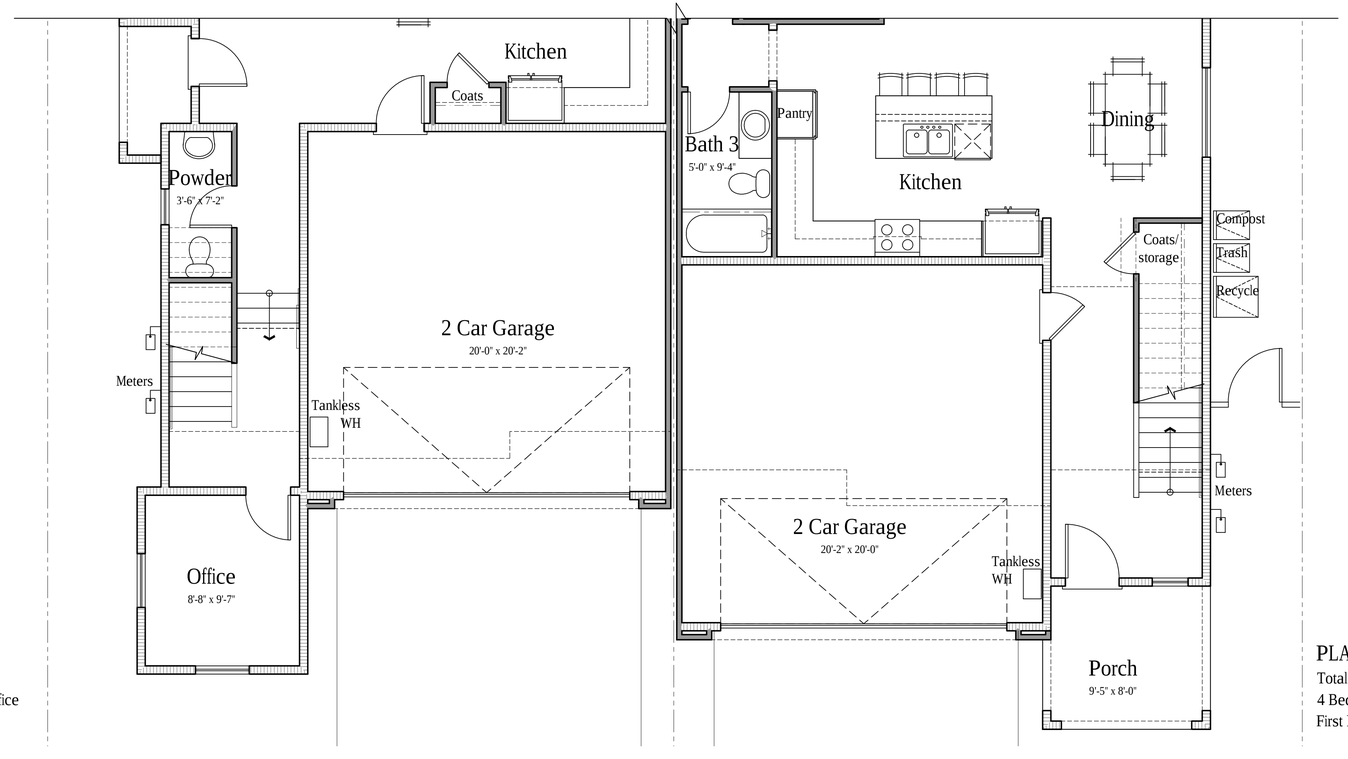
DUET 1R-2 'B-C' : FLOOR PLANS

A2.11.1



PLAN 1R 'C'
Second Floor: 1039 SQ. FT.

PLAN 2 'B'
Second Floor: 1104 SQ. FT.



PLAN 1R 'C'
Total SF: 1,871 SQ. FT.
3 Bedroom, 2.5 Bath, Office
First Floor: 828 SQ. FT.

PLAN 2 'B'
Total SF: 2,094 SQ. FT.
4 Bedroom, 3 Bath
First Floor: 990 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

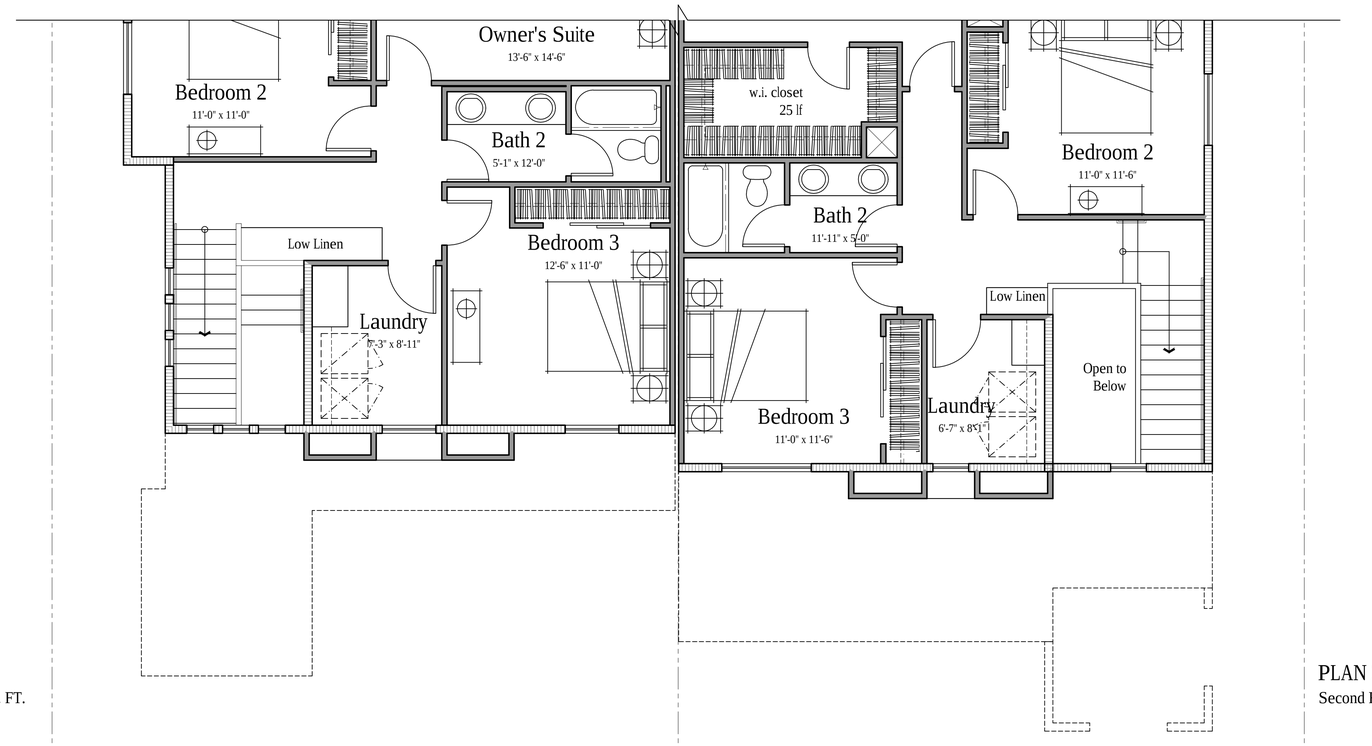
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

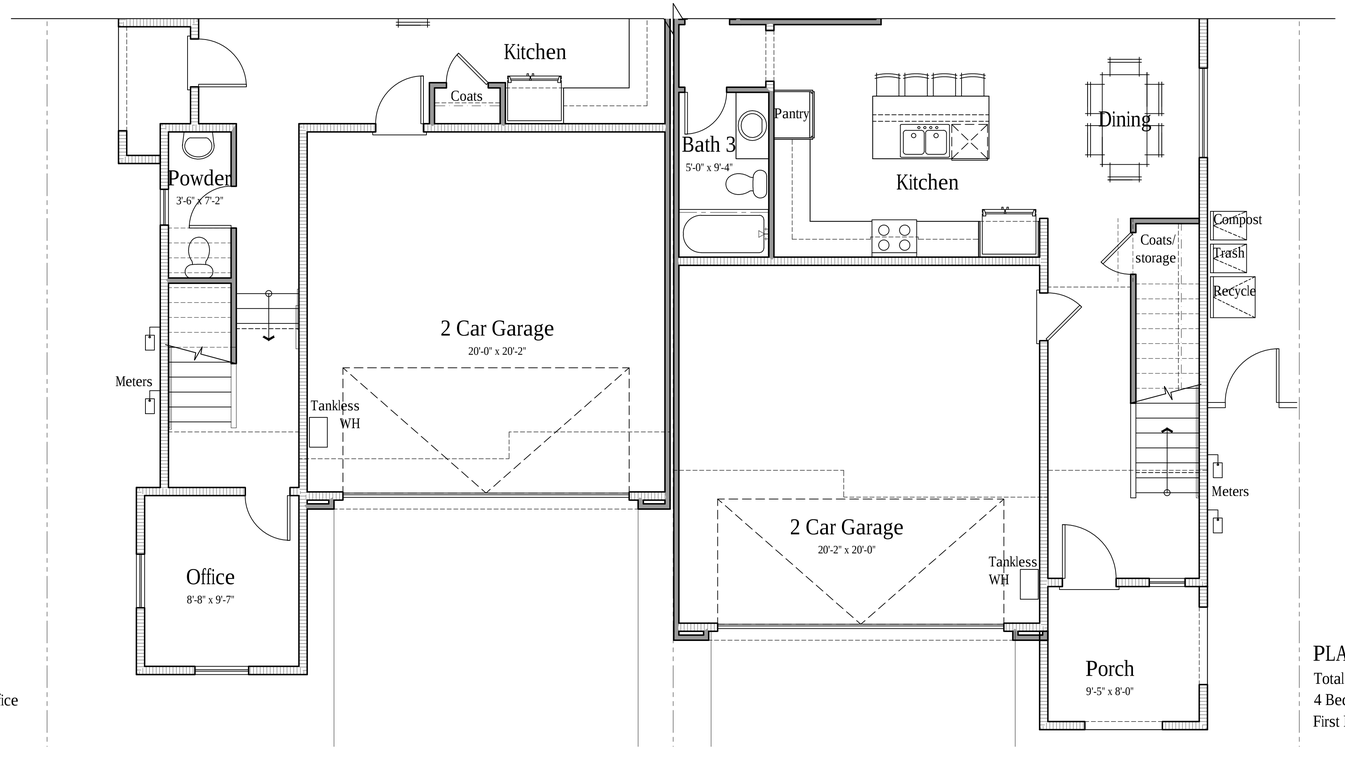
DUET 1R-2 'C-B' : FLOOR PLANS

A2.11.2



PLAN 1R 'D'
Second Floor: 1039 SQ. FT.

PLAN 2 'A'
Second Floor: 1104 SQ. FT.



PLAN 1R 'D'
Total SF: 1,871 SQ. FT.
3 Bedroom, 2.5 Bath, Office
First Floor: 828 SQ. FT.

PLAN 2 'A'
Total SF: 2,094 SQ. FT.
4 Bedroom, 3 Bath
First Floor: 990 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-2 'D-A' : FLOOR PLANS

A2.11.3



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 1R-A

PLAN 2-D

DUET 1R-2 ELEVATION 'A-D'
EARLY CALIFORNIA-CRAFTSMAN

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-2 : EXTERIOR ELEVATIONS 'A-D'

A2.12



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 1R-B PLAN 2C

DUET 1R-2 ELEVATION 'B-C'
MEDITERRANEAN REVIVAL-COUNTRY EUROPEAN

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

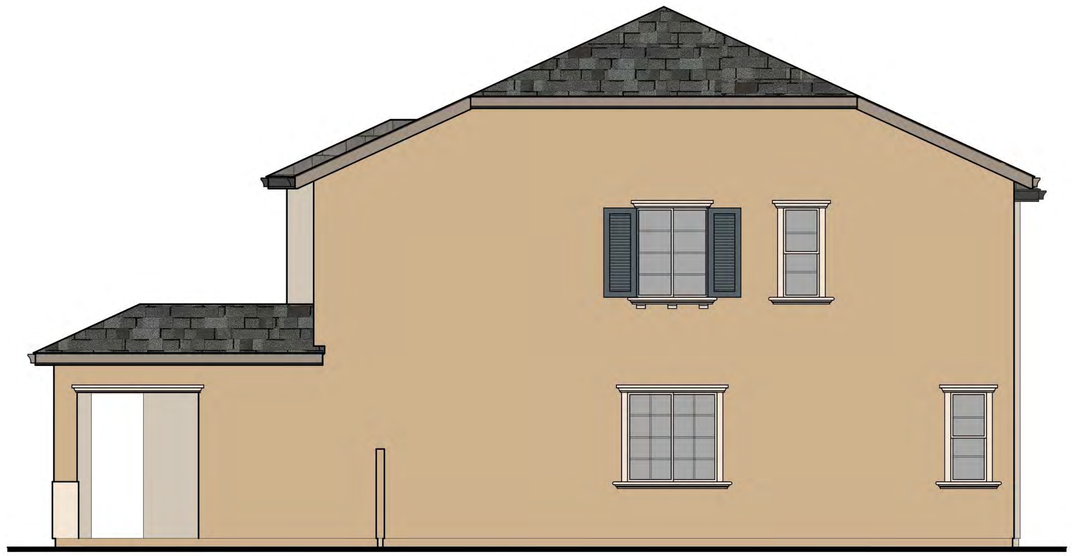
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-2 : EXTERIOR ELEVATIONS 'B-C'

A2.13



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 1R-C PLAN 2-B

DUET 1R-2 ELEVATION 'C-B'
COUNTRY EUROPEAN-MEDITERRANEAN REVIVAL

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-2 : EXTERIOR ELEVATIONS 'C-B'

A2.14



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 1R-D PLAN 2R-A

DUET 1R-2 ELEVATION 'D-A'
CRAFTSMAN-EARLY CALIFORNIA

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

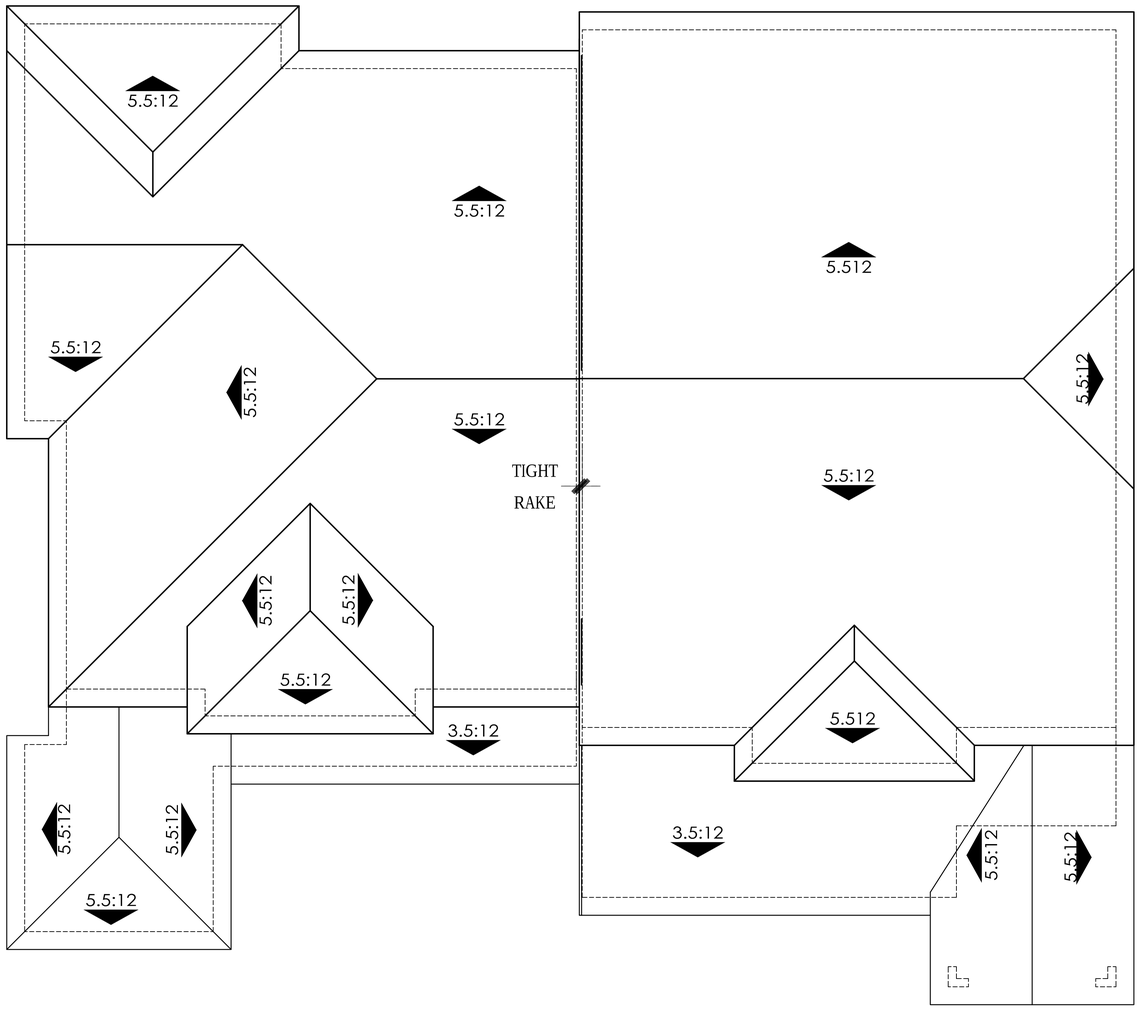
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

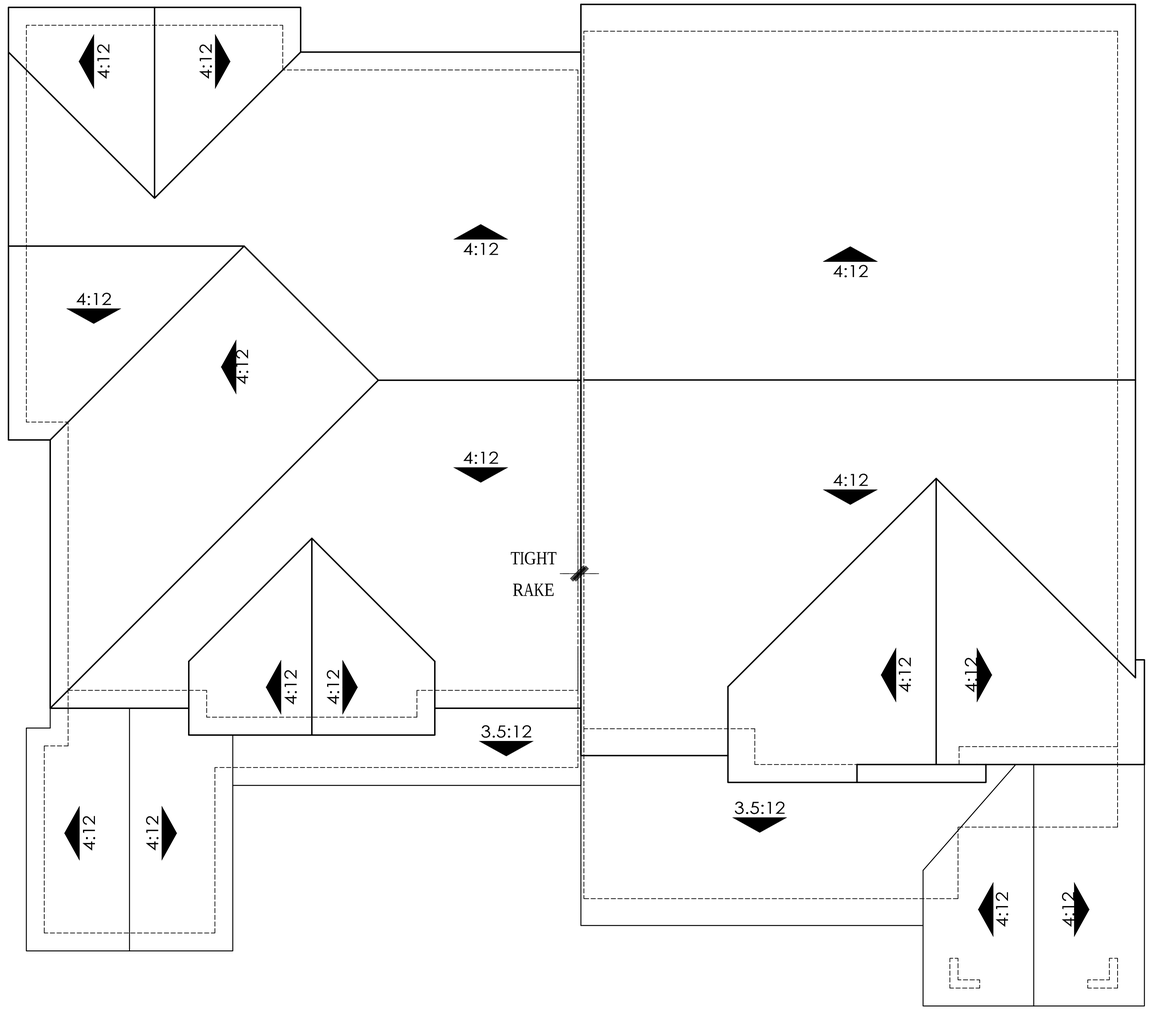
DUET 1R-2 : EXTERIOR ELEVATIONS 'D-A'

A2.15



DUET 1R-2 ELEVATION 'B-C'
ROOF PLAN

OVERHANG: 12"
RAKE: 12", U.N.O.
SLOPE: 5.5:12, U.N.O.



DUET 1R-2 ELEVATION 'A-D'
ROOF PLAN

OVERHANG: 12" AT STYLE 'A', 18" AT STYLE 'D'
RAKE: 12", U.N.O.
SLOPE: 4:12, U.N.O.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

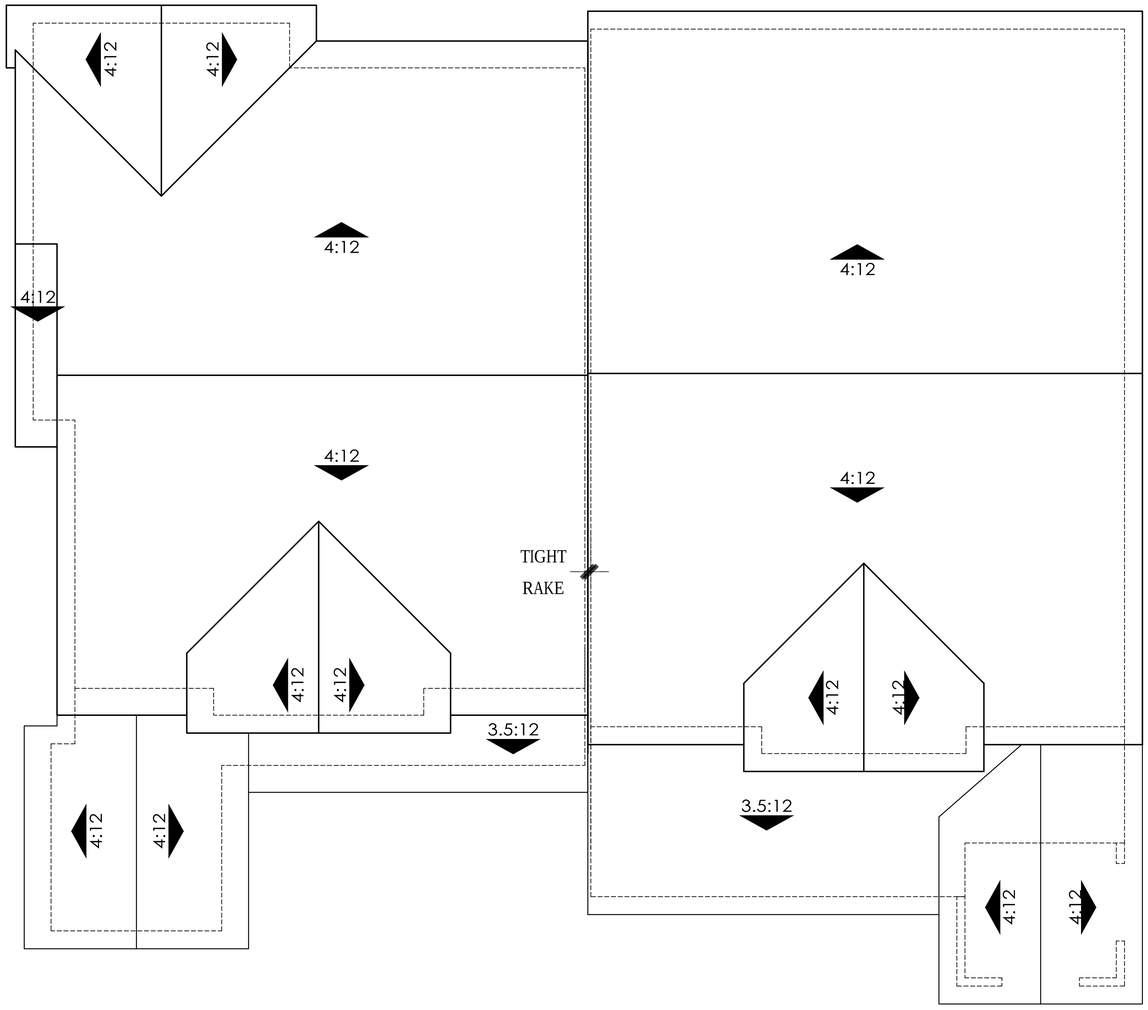
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

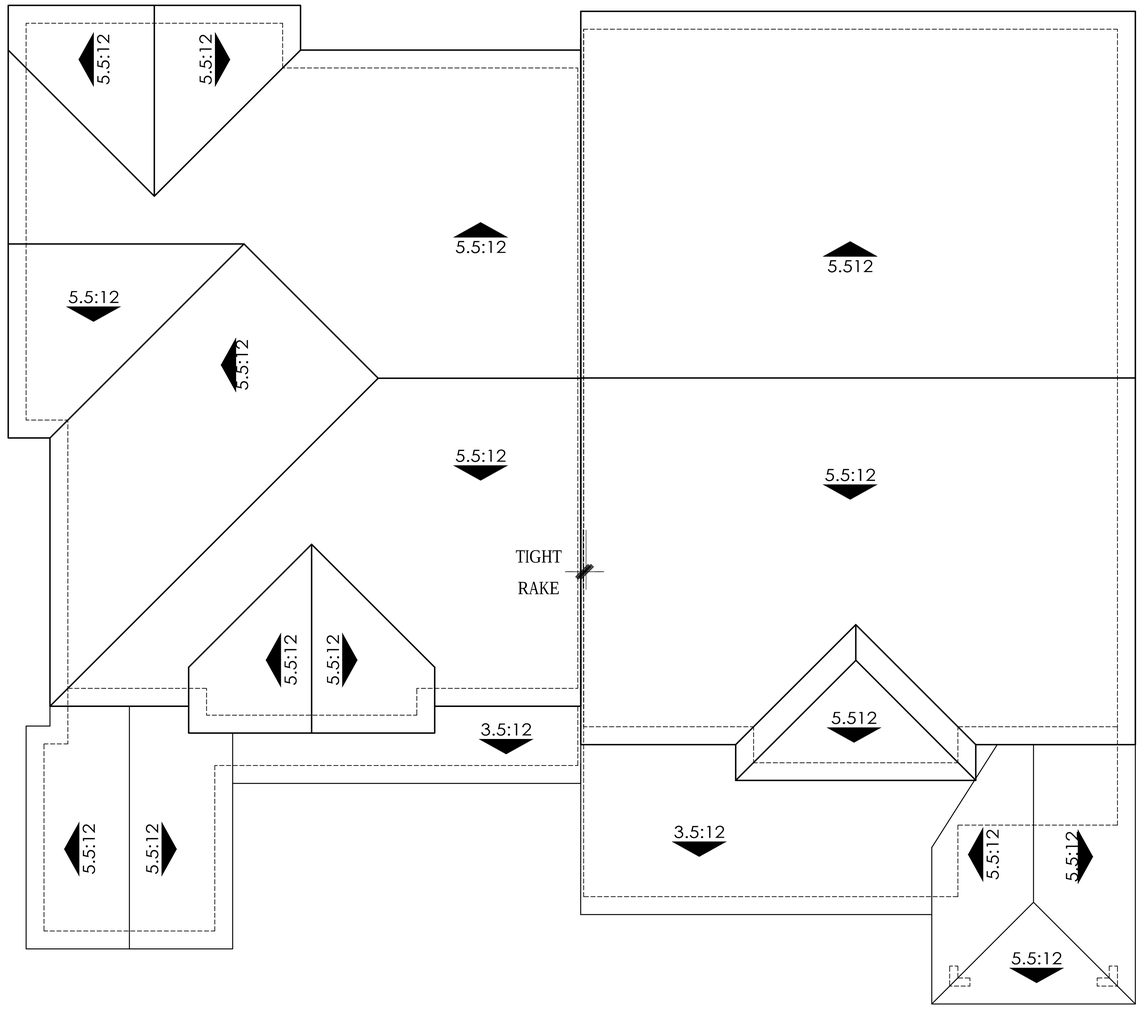
DUET 1R-2 : ROOF PLANS

A2.16



DUET 1R-2 ELEVATION 'D-A'
ROOF PLAN

OVERHANG: 12" AT STYLE 'A', 18" AT STYLE 'D'
RAKE: 12", U.N.O.
SLOPE: 4:12, U.N.O.



DUET 1R-2 ELEVATION 'C-B'
ROOF PLAN

OVERHANG: 12"
RAKE: 12", U.N.O.
SLOPE: 5.5:12, U.N.O.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

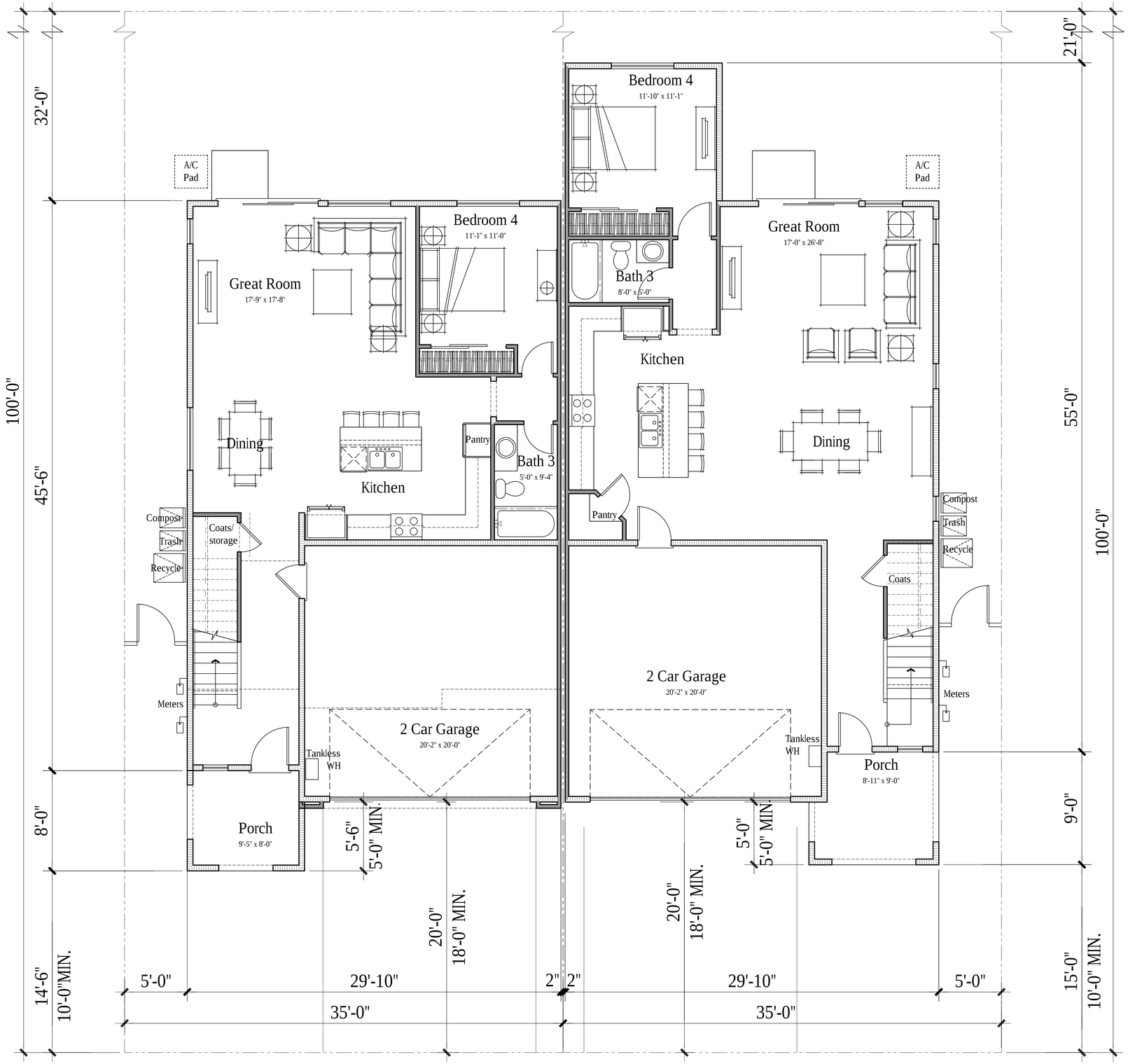
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-2 : ROOF PLANS

A2.17



PLAN 2R 'A'
Total SF: 2,094 SQ. FT.
4 Bedroom, 3 Bath
First Floor: 990 SQ. FT.

PLAN 3 'D'
Total SF: 2,300 SQ. FT.
4 Bedroom, 3 Bath, Loft
First Floor: 1114 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

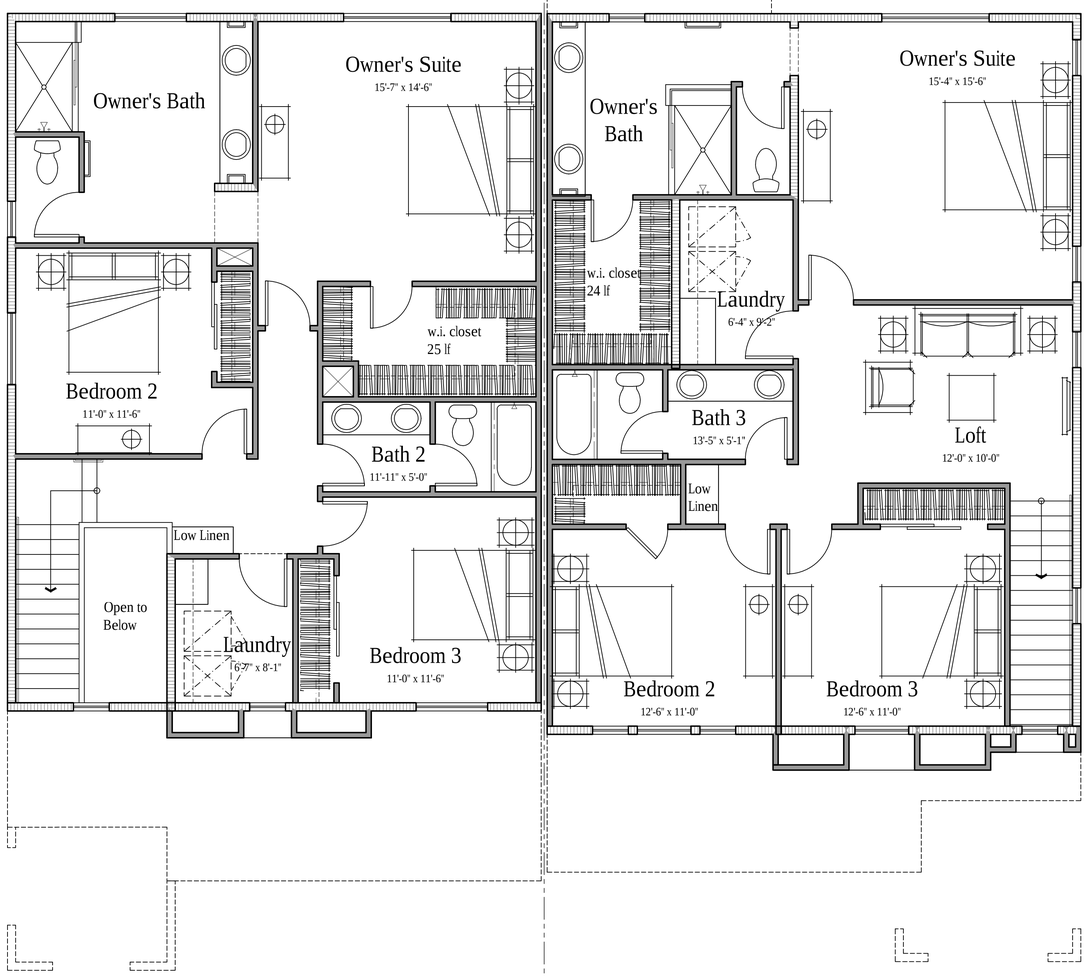
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 2R-3 'A-D' : FIRST FLOOR PLAN

A2.20.1



PLAN 2R 'A'
Second Floor: 1104 SQ. FT.

PLAN 3 'D'
Second Floor: 1186 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

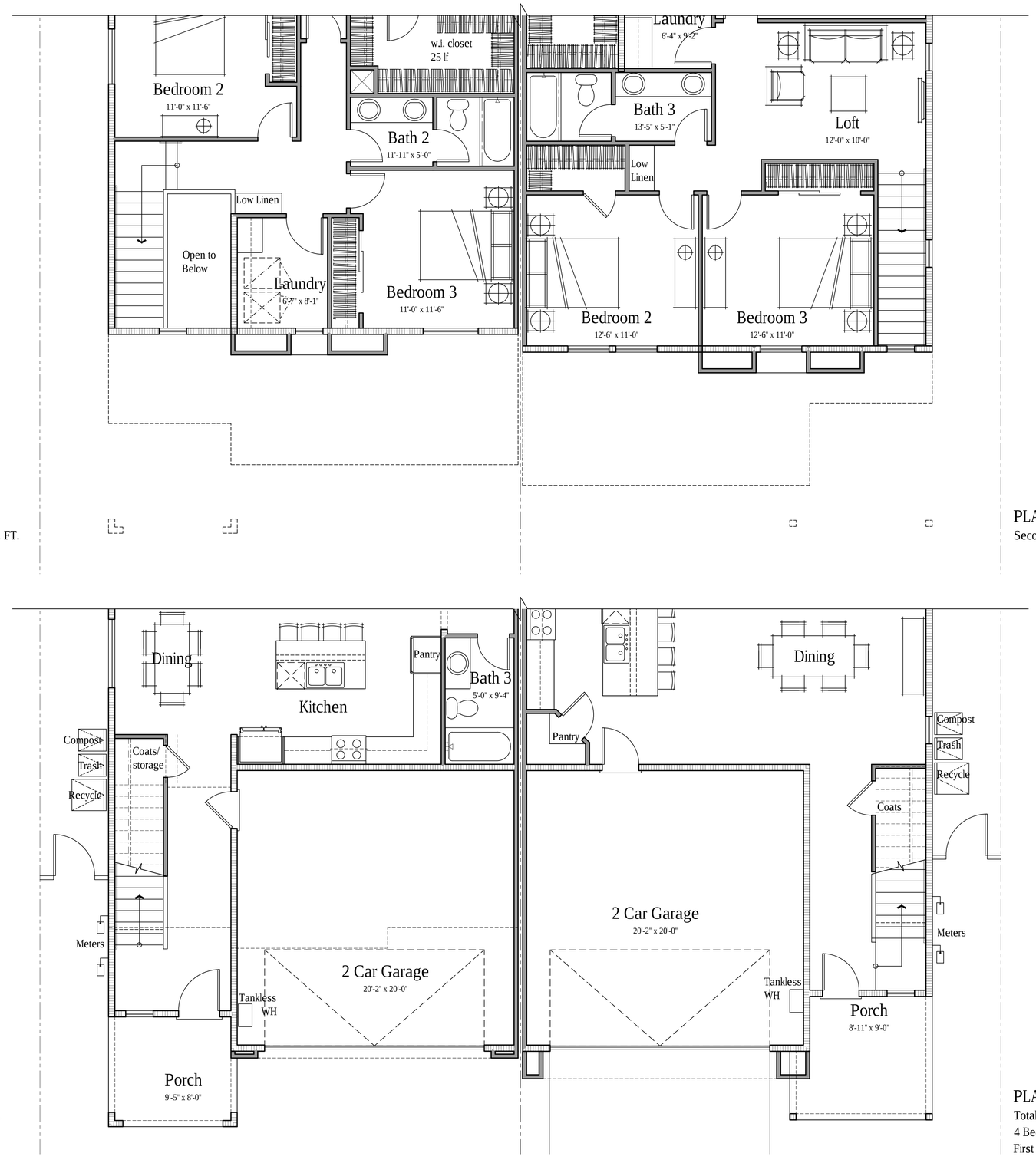
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 2R-3 'A-D': SECOND FLOOR PLAN

A2.20.2



PLAN 2R 'B'
Second Floor: 1104 SQ. FT.

PLAN 2R 'B'
Total SF: 2,094 SQ. FT.
4 Bedroom, 3 Bath
First Floor: 990 SQ. FT.

PLAN 3 'C'
Second Floor: 1186 SQ. FT.

PLAN 3 'C'
Total SF: 2,300 SQ. FT.
4 Bedroom, 3 Bath, Loft
First Floor: 1114 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

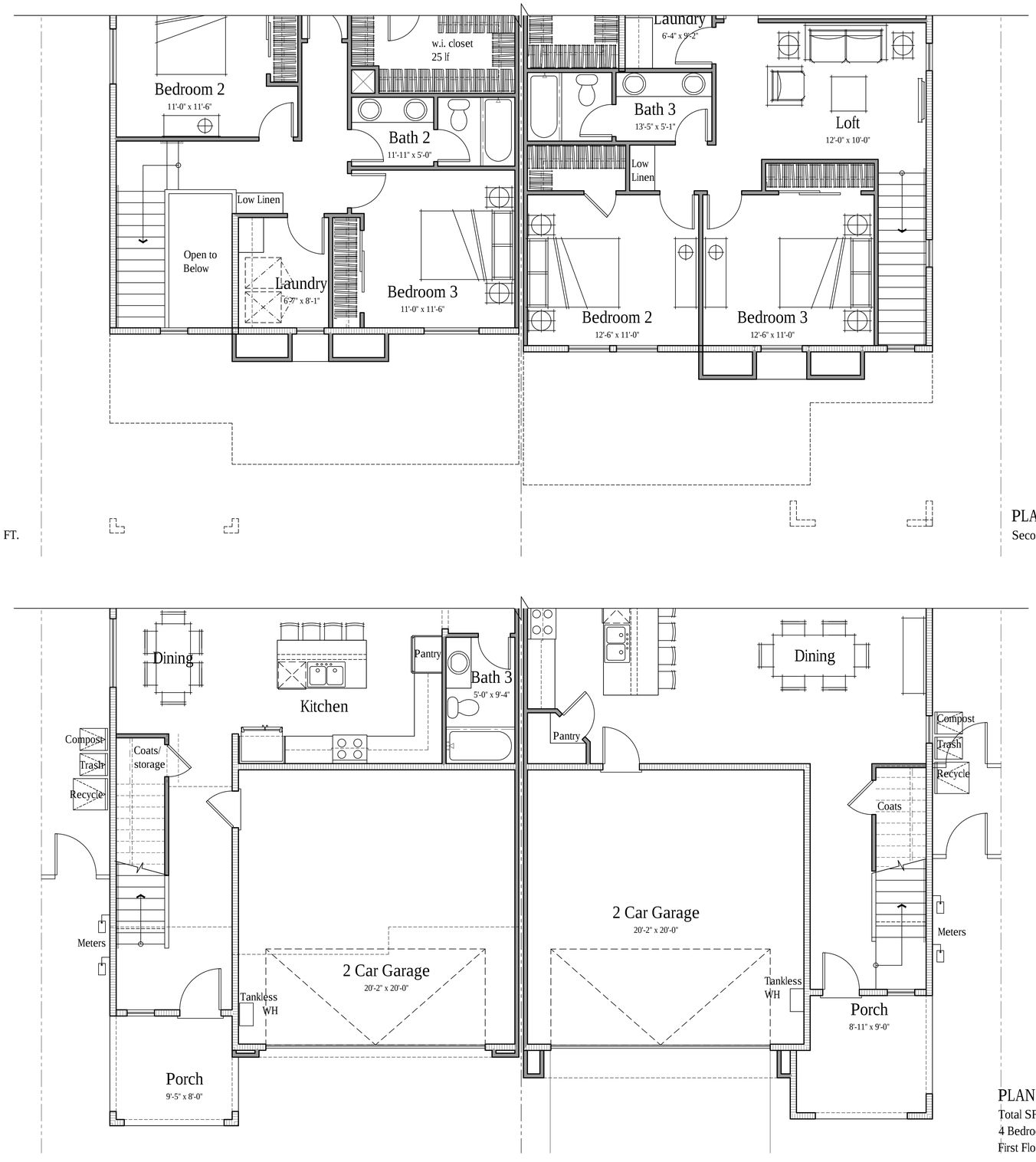
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 2R-3 'B-C' : FLOOR PLANS

A2.11.1



PLAN 2R 'C'
Second Floor: 1104 SQ. FT.

PLAN 3 'B'
Second Floor: 1186 SQ. FT.

PLAN 2R 'C'
Total SF: 2,094 SQ. FT.
4 Bedroom, 3 Bath
First Floor: 990 SQ. FT.

PLAN 3 'B'
Total SF: 2,300 SQ. FT.
4 Bedroom, 3 Bath, Loft
First Floor: 1114 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

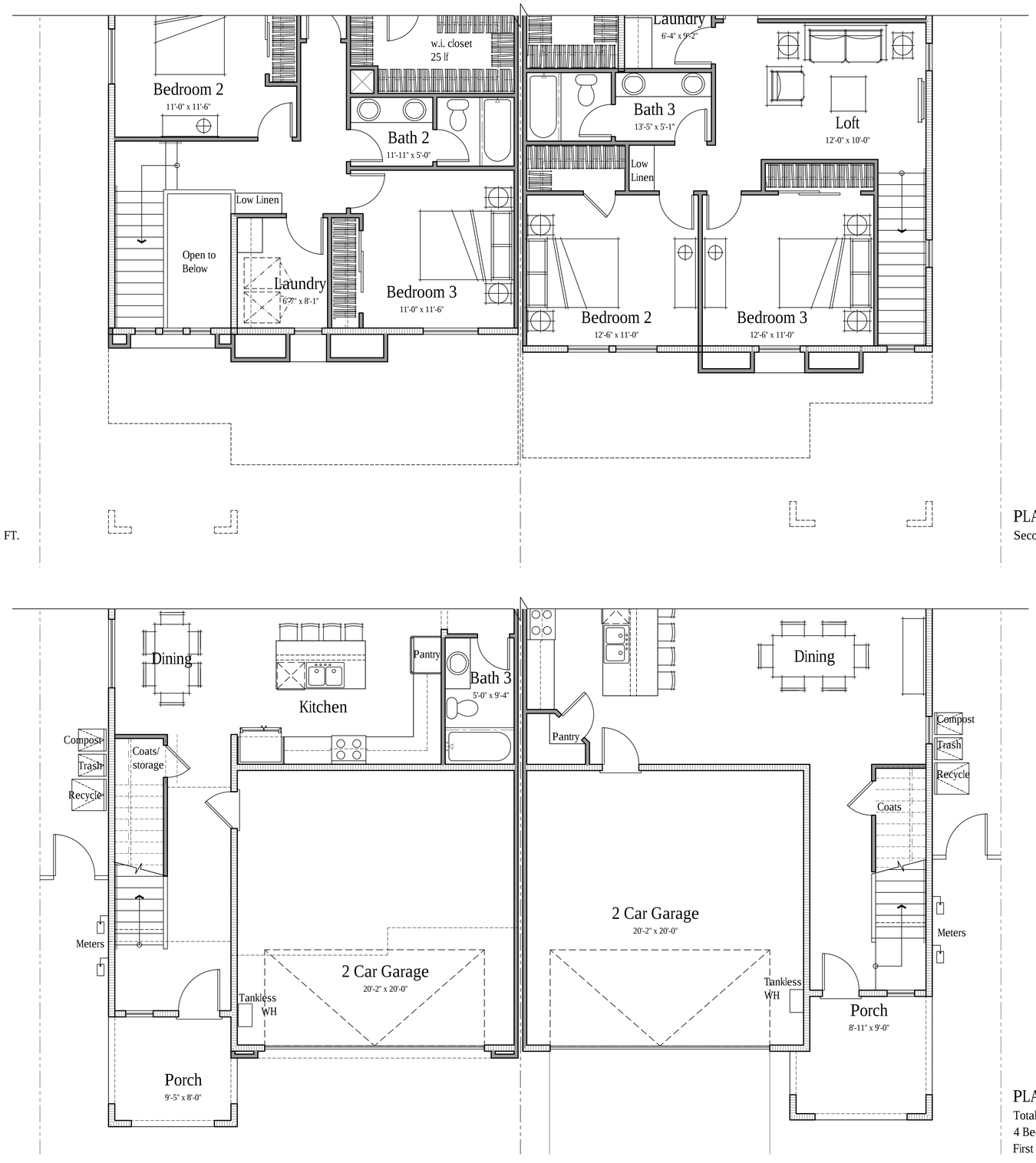
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 2R-3 'C-B' : FLOOR PLANS

A2.21.2



PLAN 2R 'D'
Second Floor: 1104 SQ. FT.

PLAN 3 'A'
Second Floor: 1186 SQ. FT.

PLAN 2R 'D'
Total SF: 2,094 SQ. FT.
4 Bedroom, 3 Bath
First Floor: 990 SQ. FT.

PLAN 3 'A'
Total SF: 2,300 SQ. FT.
4 Bedroom, 3 Bath, Loft
First Floor: 1114 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

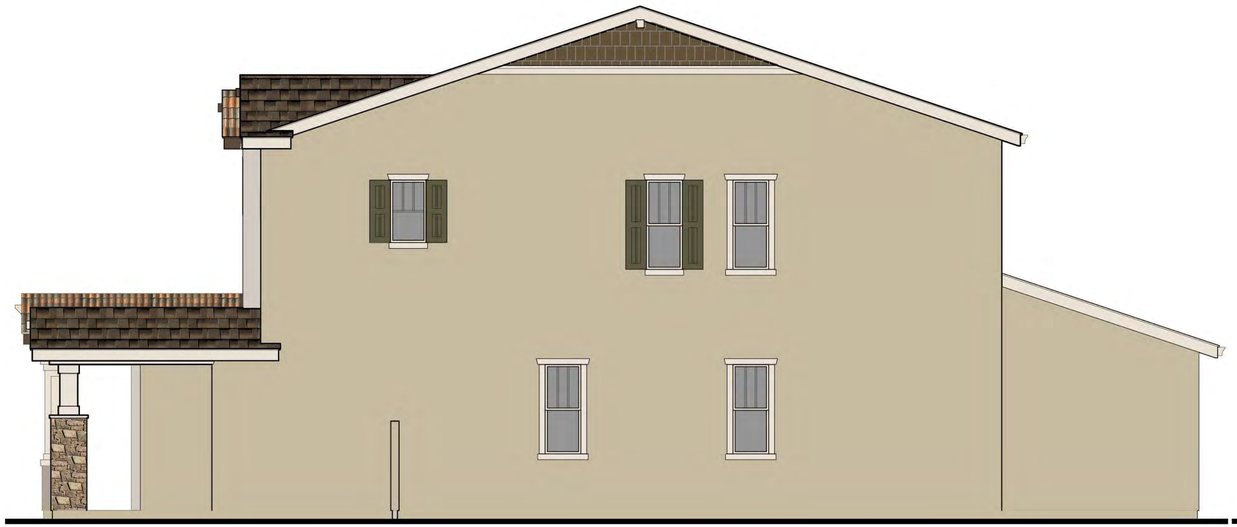
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 2R-3 'D-A' : FLOOR PLANS

A2.21.3



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 2R-A PLAN 3-D

DUET 2R-3 ELEVATION 'A-D'
EARLY CALIFORNIA-CRAFTSMAN

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 2R-3 : EXTERIOR ELEVATIONS 'A-D'

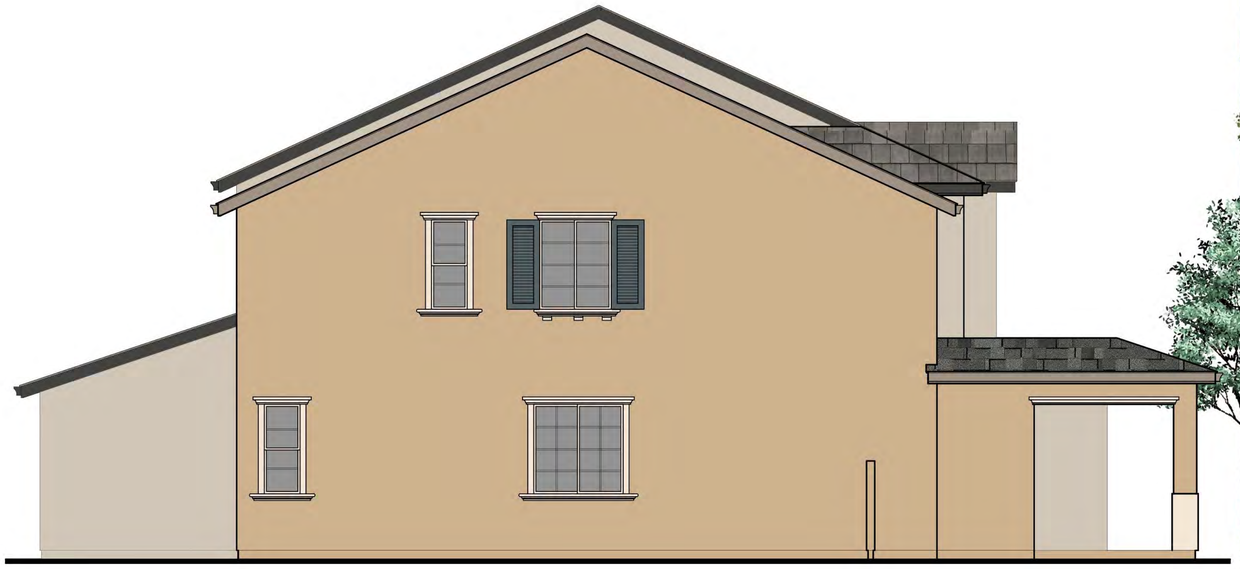
A2.22



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 2R-B PLAN 3-C

DUET 2R-3 ELEVATION 'B-C'
MEDITERRANEAN REVIVAL-COUNTRY EUROPEAN

ktgy

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 2R-3 : EXTERIOR ELEVATIONS 'B-C'

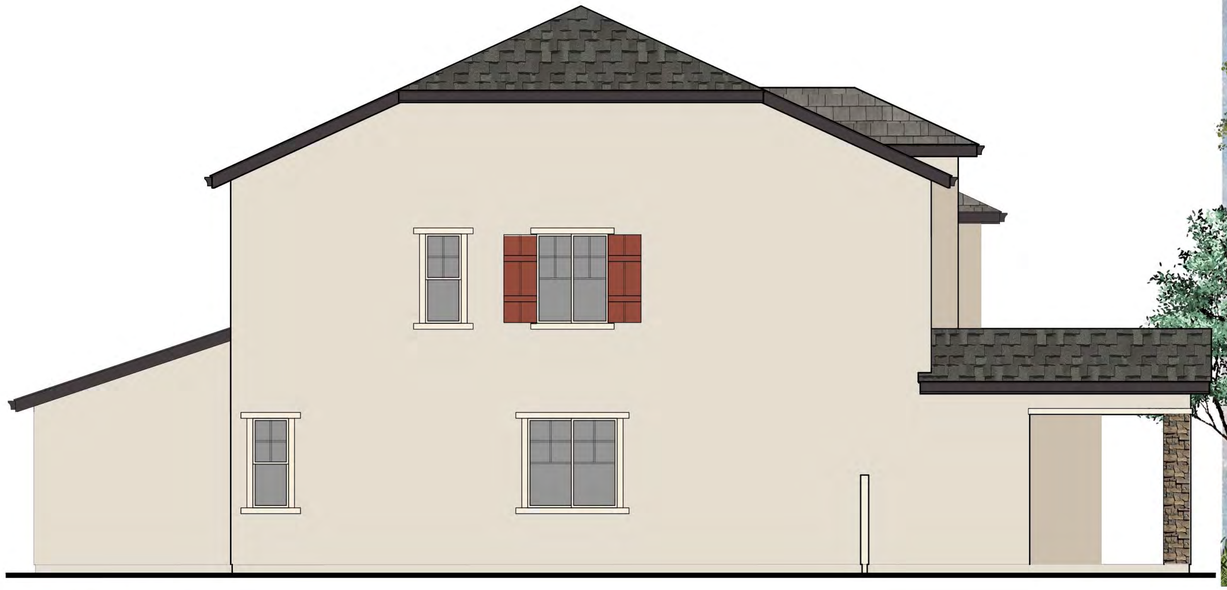
A2.23



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 2R-C PLAN 3-B

DUET 2R-3 ELEVATION 'C-B'
COUNTRY EUROPEAN-MEDITERRANEAN REVIVAL

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

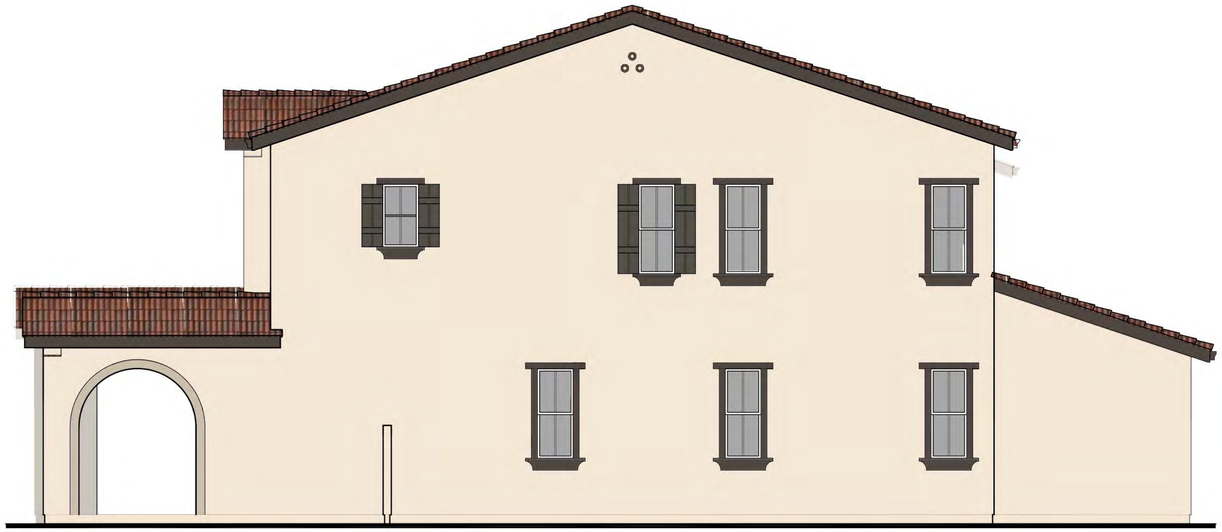
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 2R-3 : EXTERIOR ELEVATIONS 'C-B'

A2.24



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 2R-D PLAN 3-A

DUET 2R-3 ELEVATION 'D-A'
CRAFTSMAN-EARLY CALIFORNIA

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

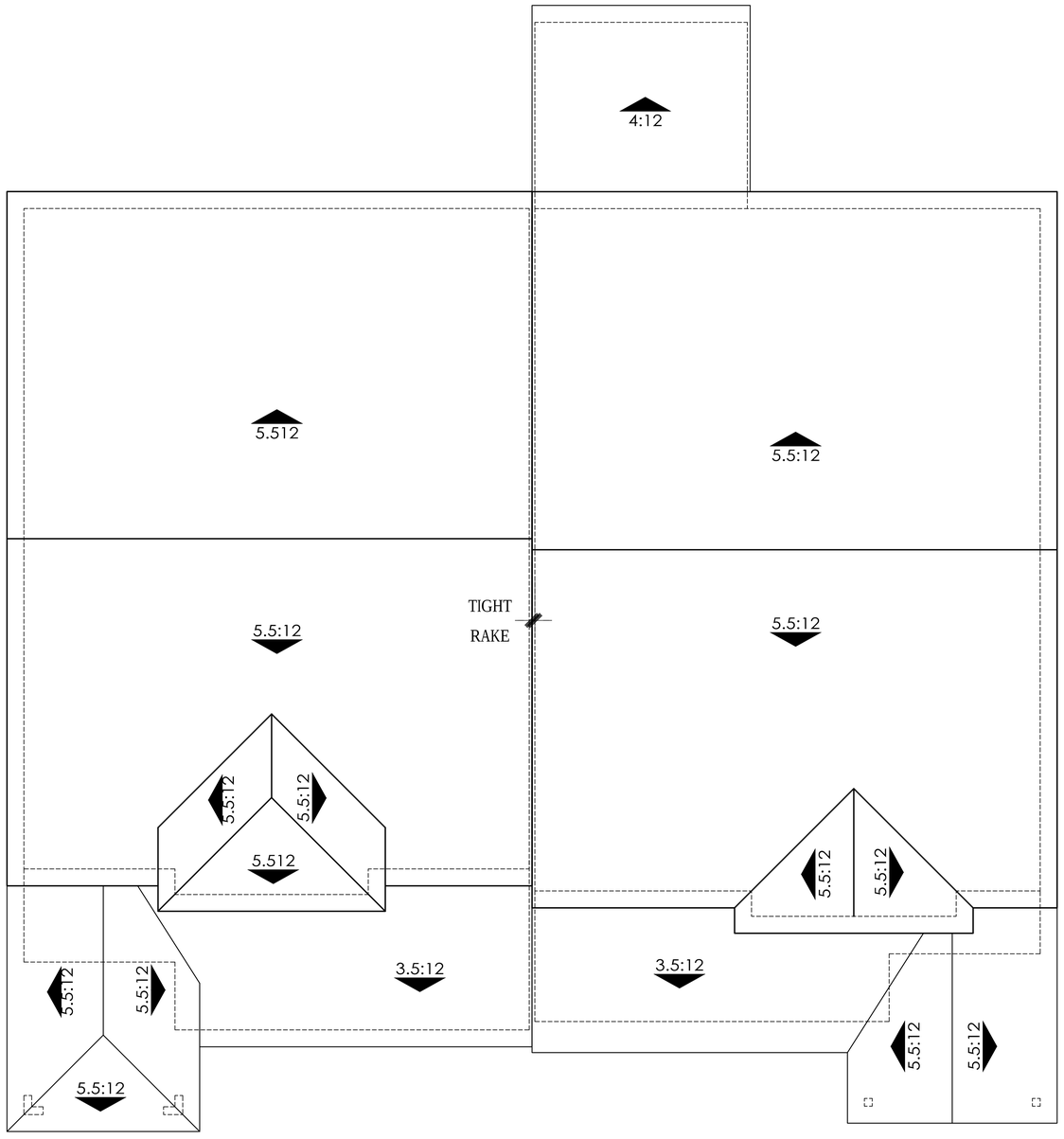
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

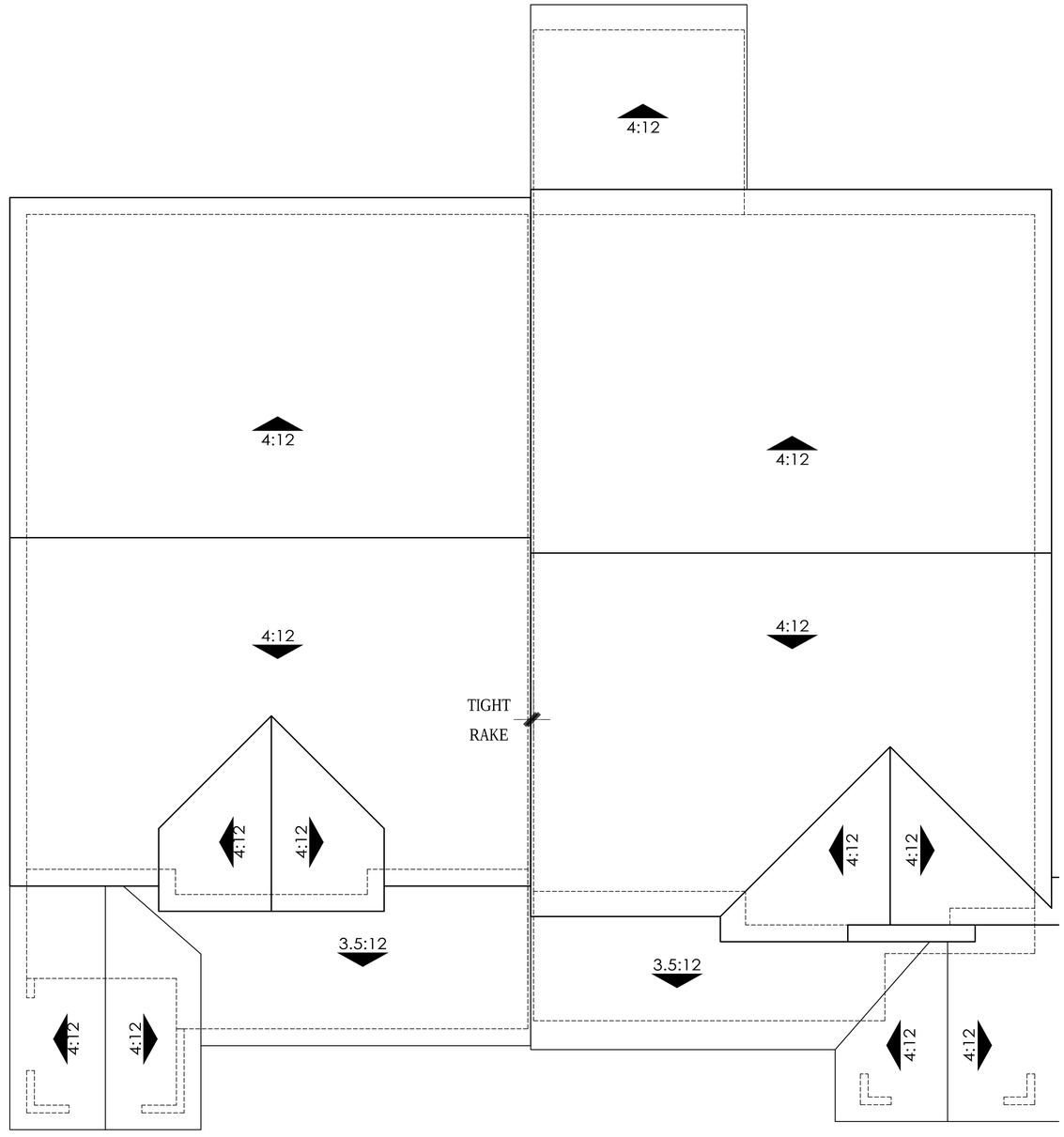
DUET 2R-3 : EXTERIOR ELEVATIONS 'D-A'

A2.25



DUET 2R-3 ELEVATION 'B-C'
ROOF PLAN

OVERHANG: 12"
RAKE: 12", U.N.O.
SLOPE: 5.5:12, U.N.O.



DUET 2R-3 ELEVATION 'A-D'
ROOF PLAN

OVERHANG: 12" AT STYLE 'A', 18" AT STYLE 'D'
RAKE: 12", U.N.O.
SLOPE: 4:12, U.N.O.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

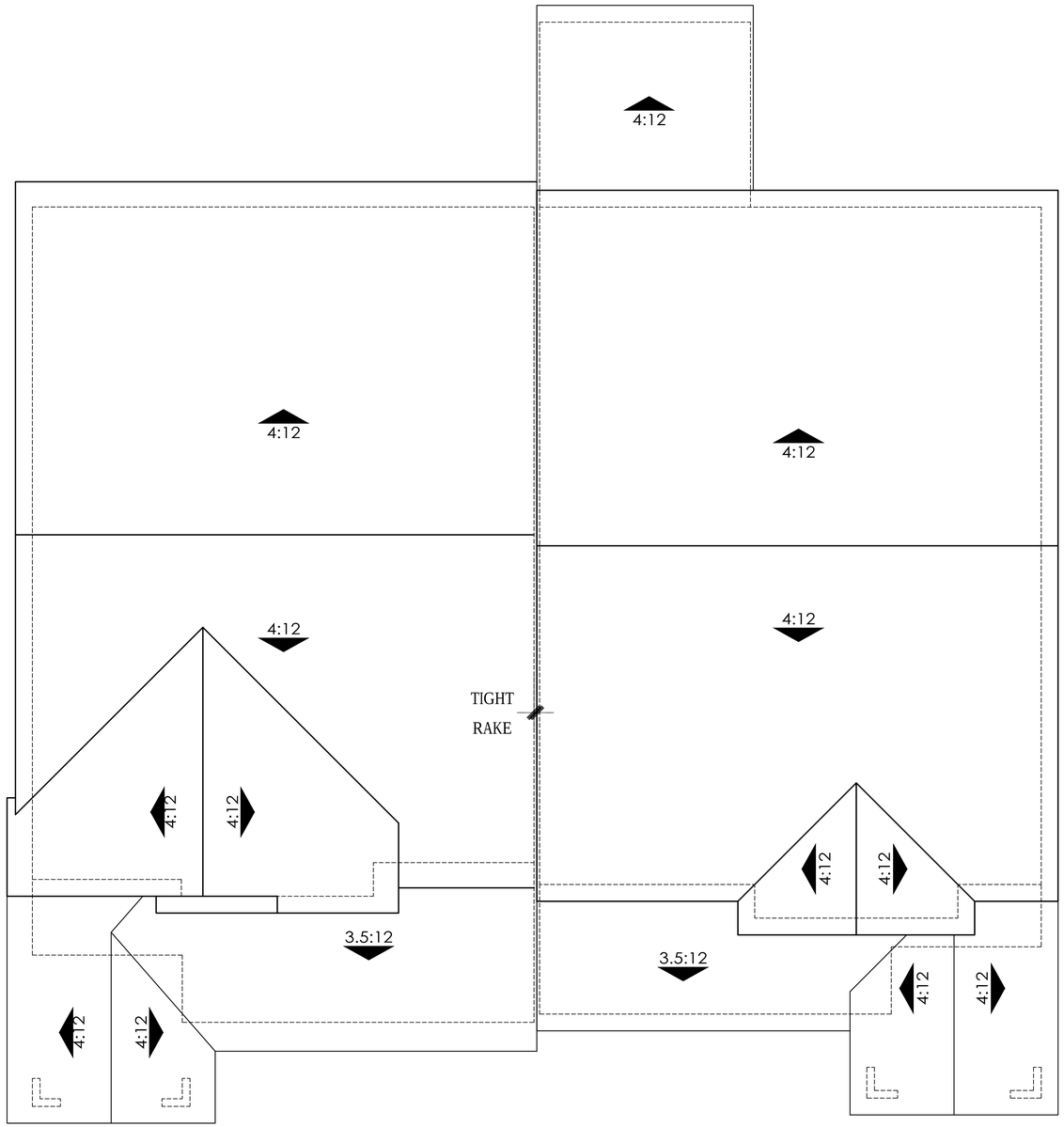
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

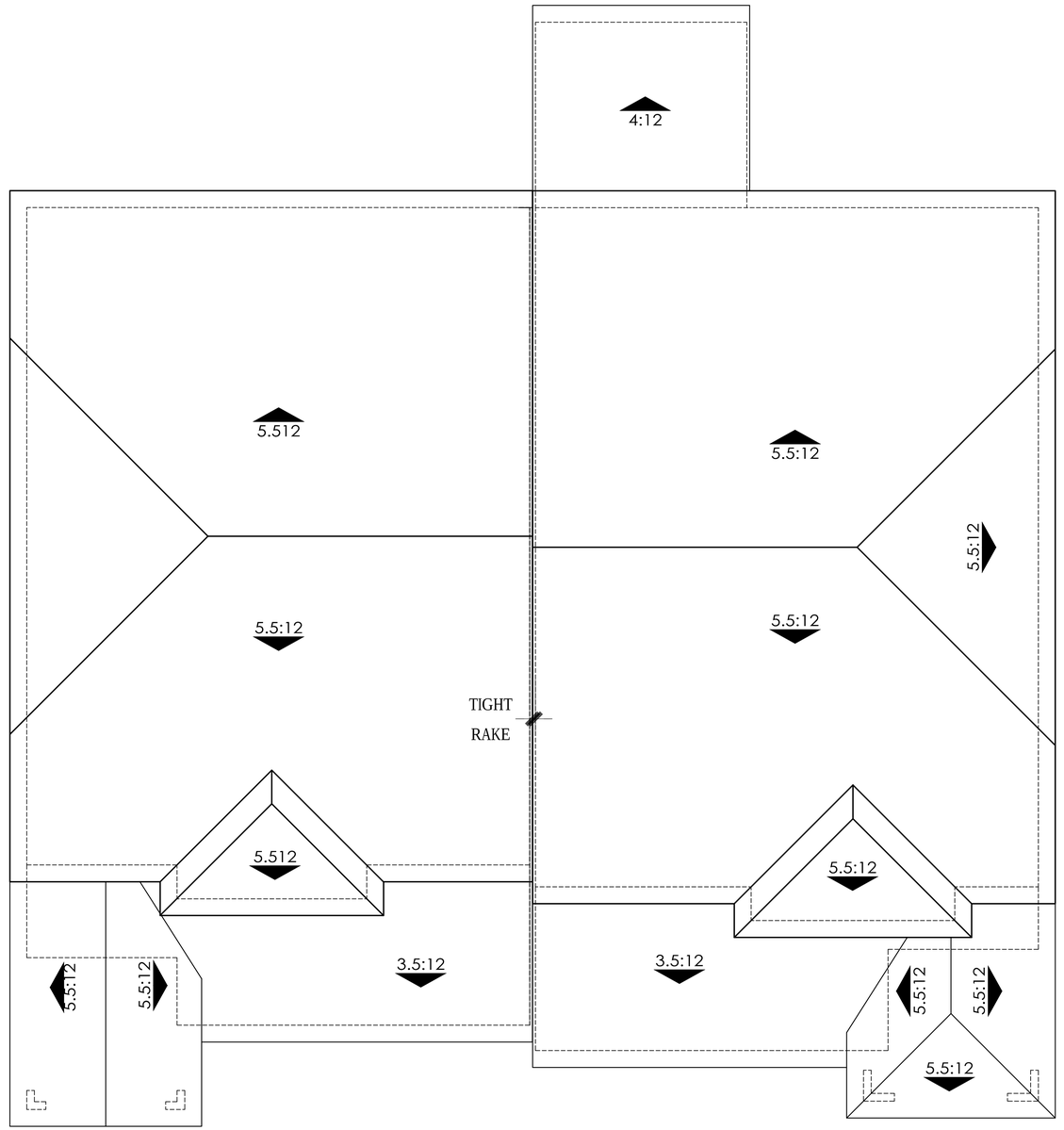
DUET 2R-3 : ROOF PLANS

A2.26



DUET 2R-3 ELEVATION 'D-A'
ROOF PLAN

OVERHANG: 12" AT STYLE 'A', 18" AT STYLE 'D'
RAKE: 12", U.N.O.
SLOPE: 4:12, U.N.O.



DUET 2R-3 ELEVATION 'C-B'
ROOF PLAN

OVERHANG: 12"
RAKE: 12", U.N.O.
SLOPE: 5.5:12, U.N.O.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 2R-3 : ROOF PLANS

A2.27



PLAN 1R 'A'
Total SF: 1,871 SQ. FT.
3 Bedroom, 2.5 Bath, Office
First Floor: 828 SQ. FT.

PLAN 3 'D'
Total SF: 2,300 SQ. FT.
4 Bedroom, 3 Bath, Loft
First Floor: 1114 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-3 'A-D' : FIRST FLOOR PLAN

A2.30.1



PLAN 1R 'A'
Second Floor: 1039 SQ. FT.

PLAN 3 'D'
Second Floor: 1186 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

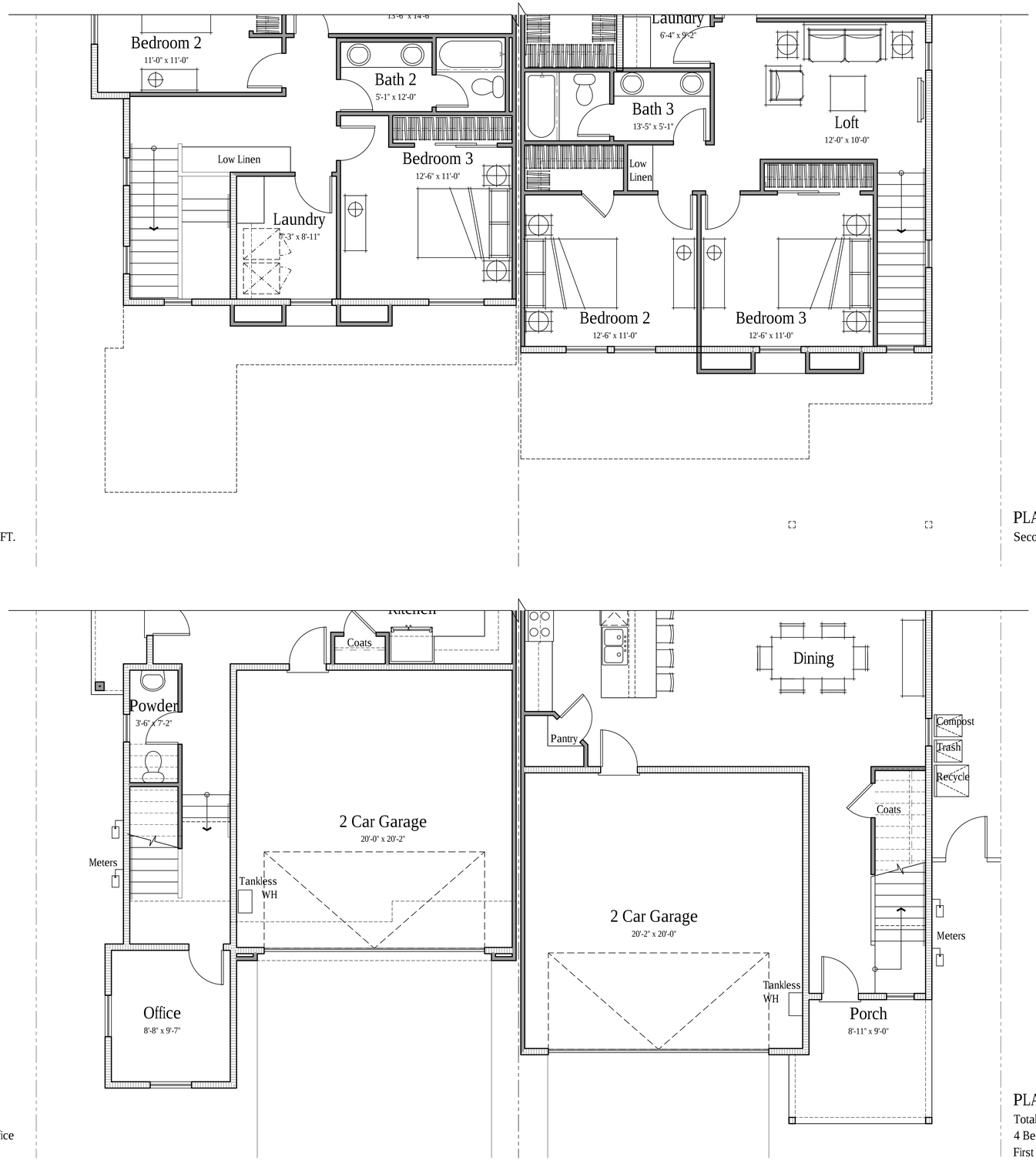
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-3 'A-D' : SECOND FLOOR PLAN

A2.30.2



PLAN 1R 'B'
Second Floor: 1039 SQ. FT.

PLAN 3 'C'
Second Floor: 1186 SQ. FT.

PLAN 1R 'B'
Total SF: 1,871 SQ. FT.
3 Bedroom, 2.5 Bath, Office
First Floor: 828 SQ. FT.

PLAN 3 'C'
Total SF: 2,300 SQ. FT.
4 Bedroom, 3 Bath, Loft
First Floor: 1114 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

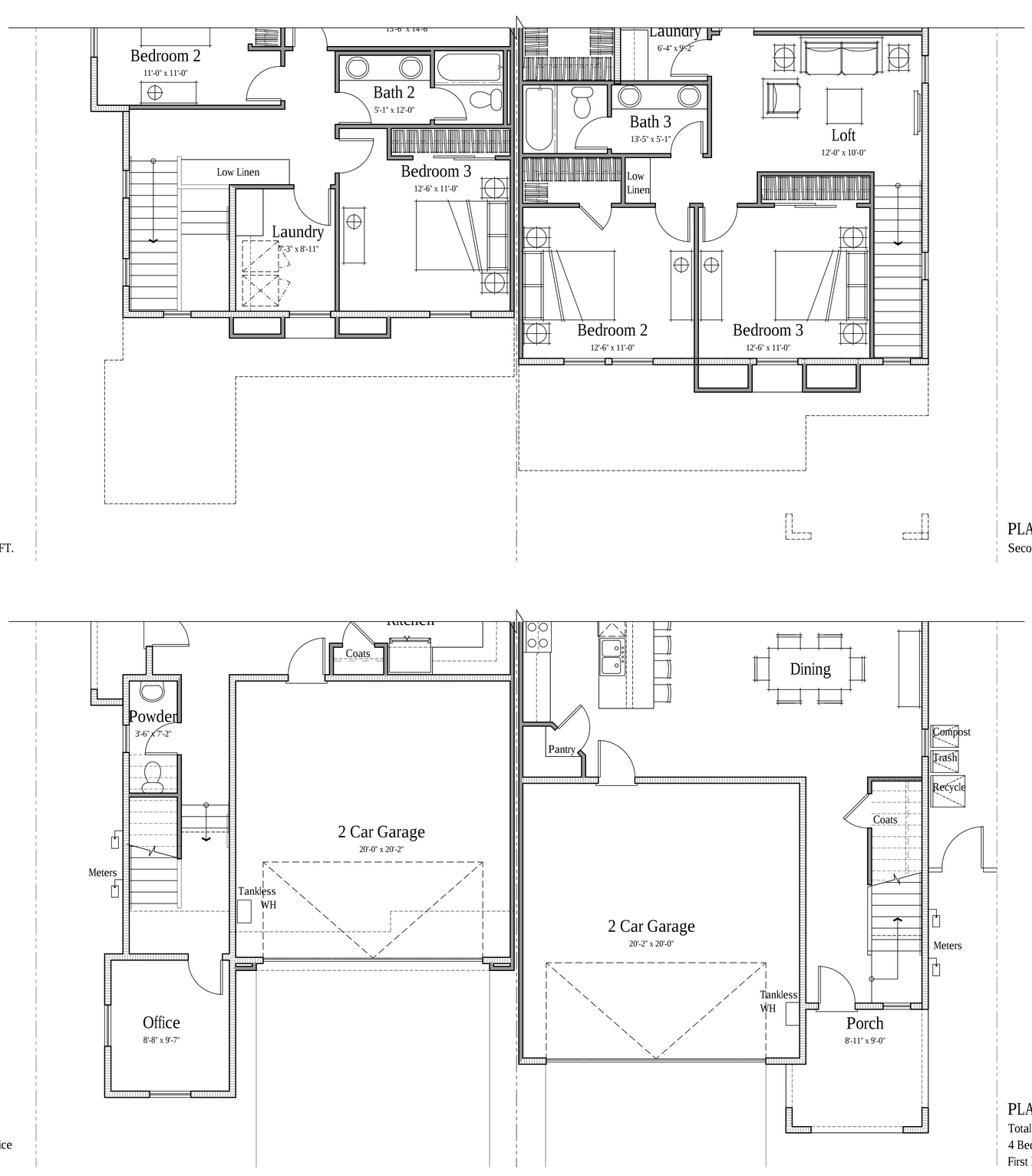
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-3 'B-C' : FLOOR PLANS

A2.31.1



PLAN 1R 'C'
Second Floor: 1039 SQ. FT.

PLAN 3 'B'
Second Floor: 1186 SQ. FT.

PLAN 1R 'C'
Total SF: 1,871 SQ. FT.
3 Bedroom, 2.5 Bath, Office
First Floor: 828 SQ. FT.

PLAN 3 'B'
Total SF: 2,300 SQ. FT.
4 Bedroom, 3 Bath, Loft
First Floor: 1114 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

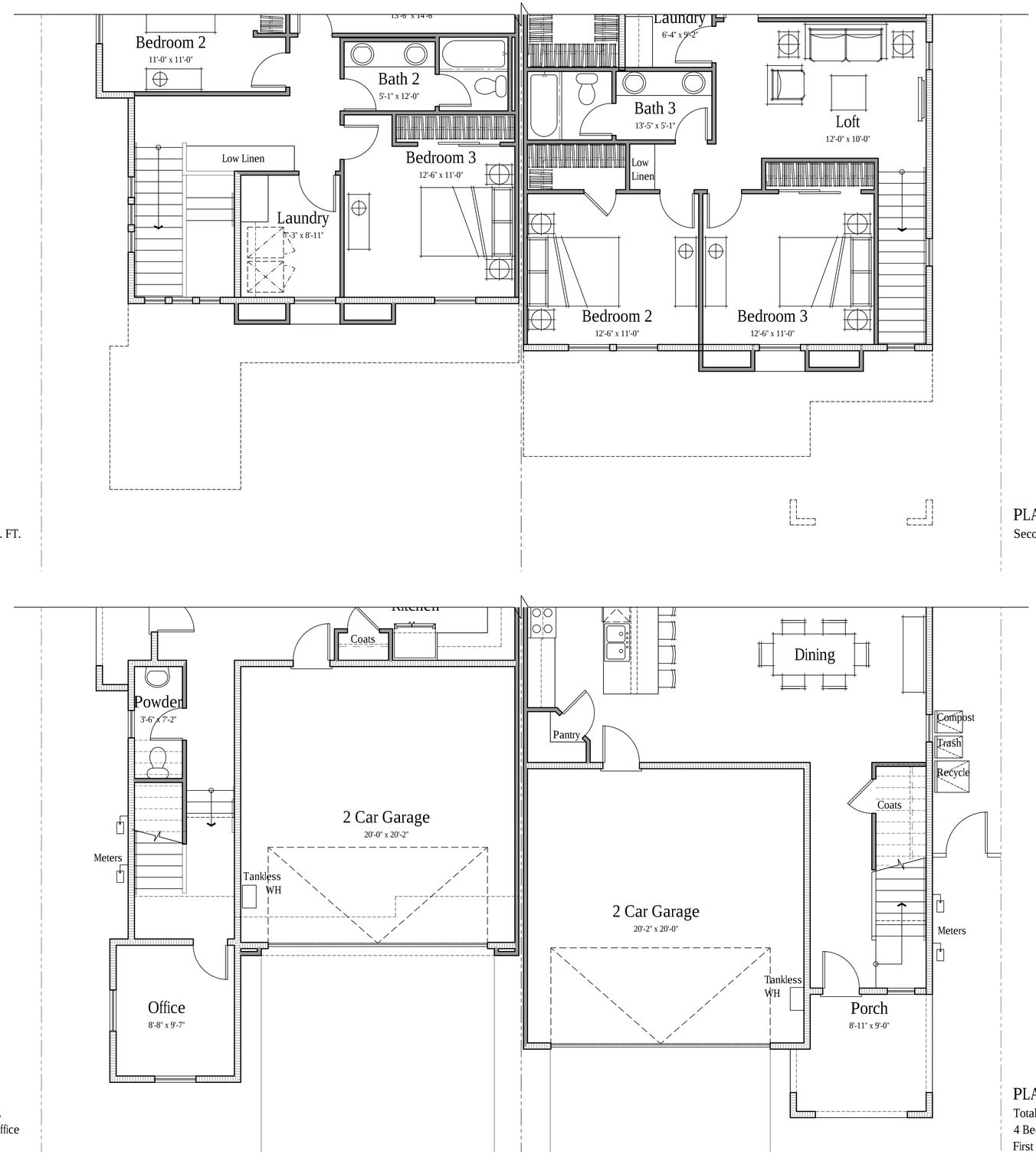
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-3 'C-B' : FLOOR PLANS

A2.31.2



PLAN 1R 'D'
Second Floor: 1039 SQ. FT.

PLAN 3 'A'
Second Floor: 1186 SQ. FT.

PLAN 1R 'D'
Total SF: 1,871 SQ. FT.
3 Bedroom, 2.5 Bath, Office
First Floor: 828 SQ. FT.

PLAN 3 'A'
Total SF: 2,300 SQ. FT.
4 Bedroom, 3 Bath, Loft
First Floor: 1114 SQ. FT.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

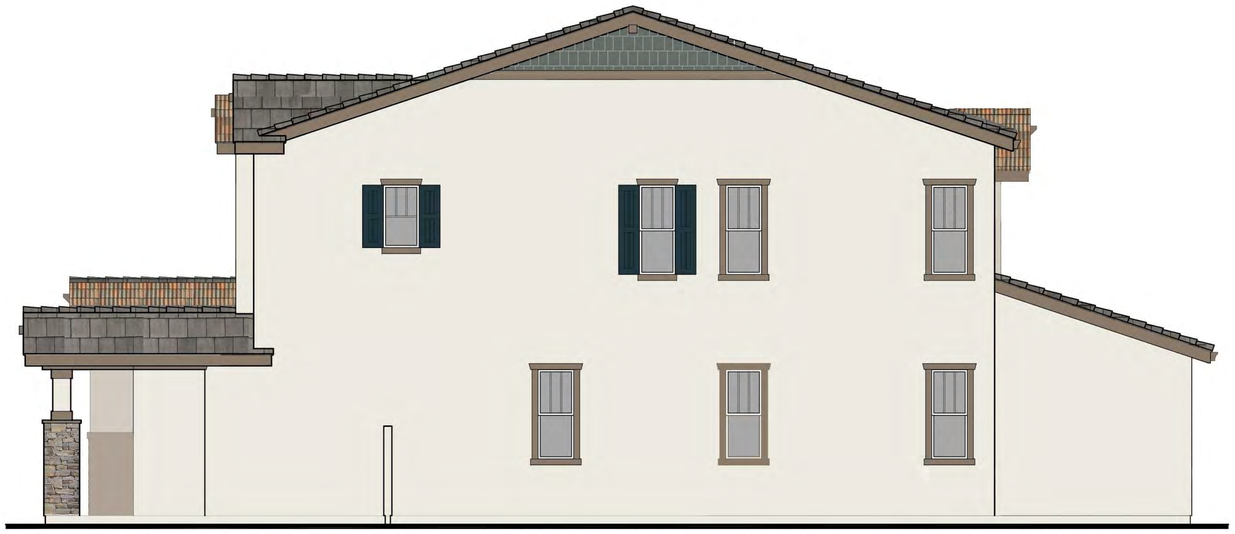
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-3 'D-A' : FLOOR PLANS

A2.31.3



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 1R-A

PLAN 3-D

DUET 1R-3 ELEVATION 'A-D'
EARLY CALIFORNIA-CRAFTSMAN

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-3 : EXTERIOR ELEVATIONS 'A-D'

A2.32



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 1R -B PLAN 3-C

DUET 1R-3 ELEVATION 'B-C'
MEDITERRANEAN REVIVAL-COUNTRY EUROPEAN

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

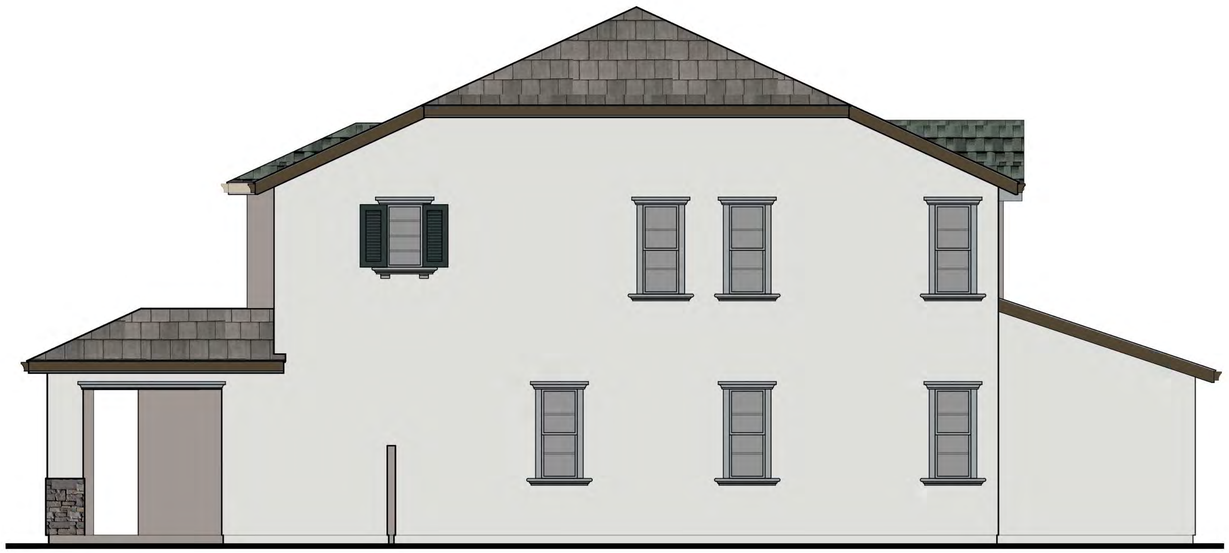
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-3 - EXTERIOR ELEVATIONS 'B-C'

A2.33



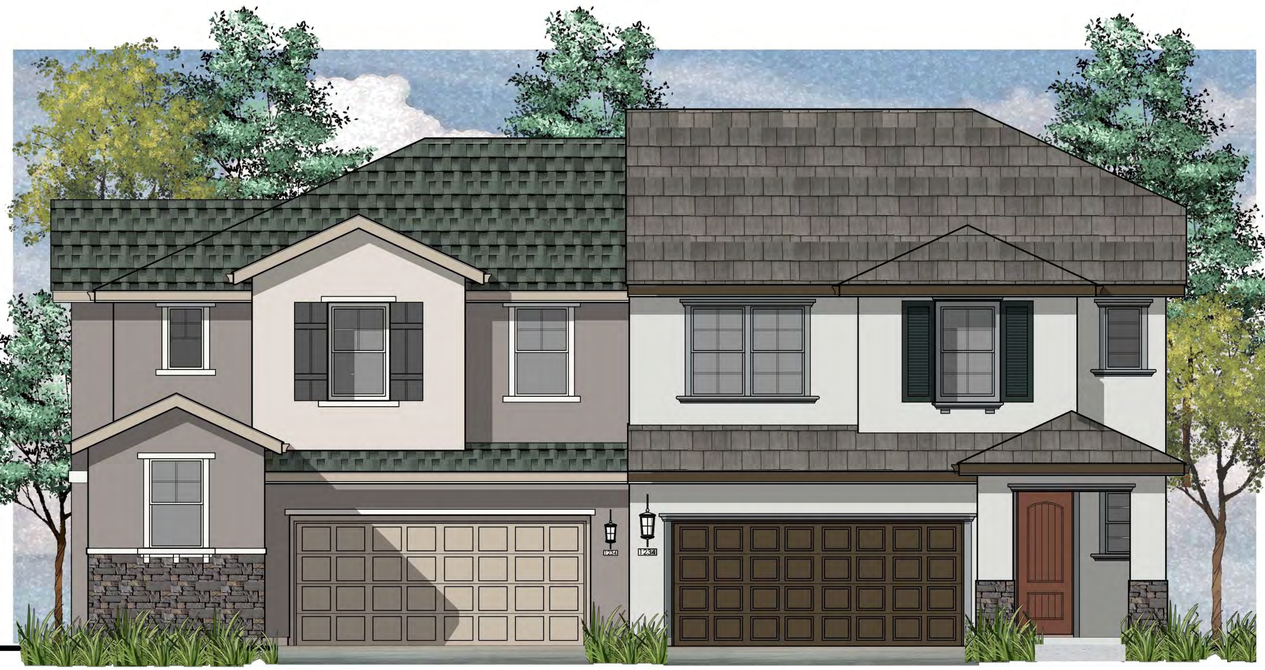
RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 1R-C PLAN 3-B

DUET 1R-3 ELEVATION 'C-B'
COUNTRY EUROPEAN-MEDITERRANEAN REVIVAL

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET 1R-3 : EXTERIOR ELEVATIONS 'C-B'

A2.34



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION



PLAN 1R-D PLAN 3-A

DUET 1R-3 ELEVATION 'D-A'
CRAFTSMAN-EARLY CALIFORNIA

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

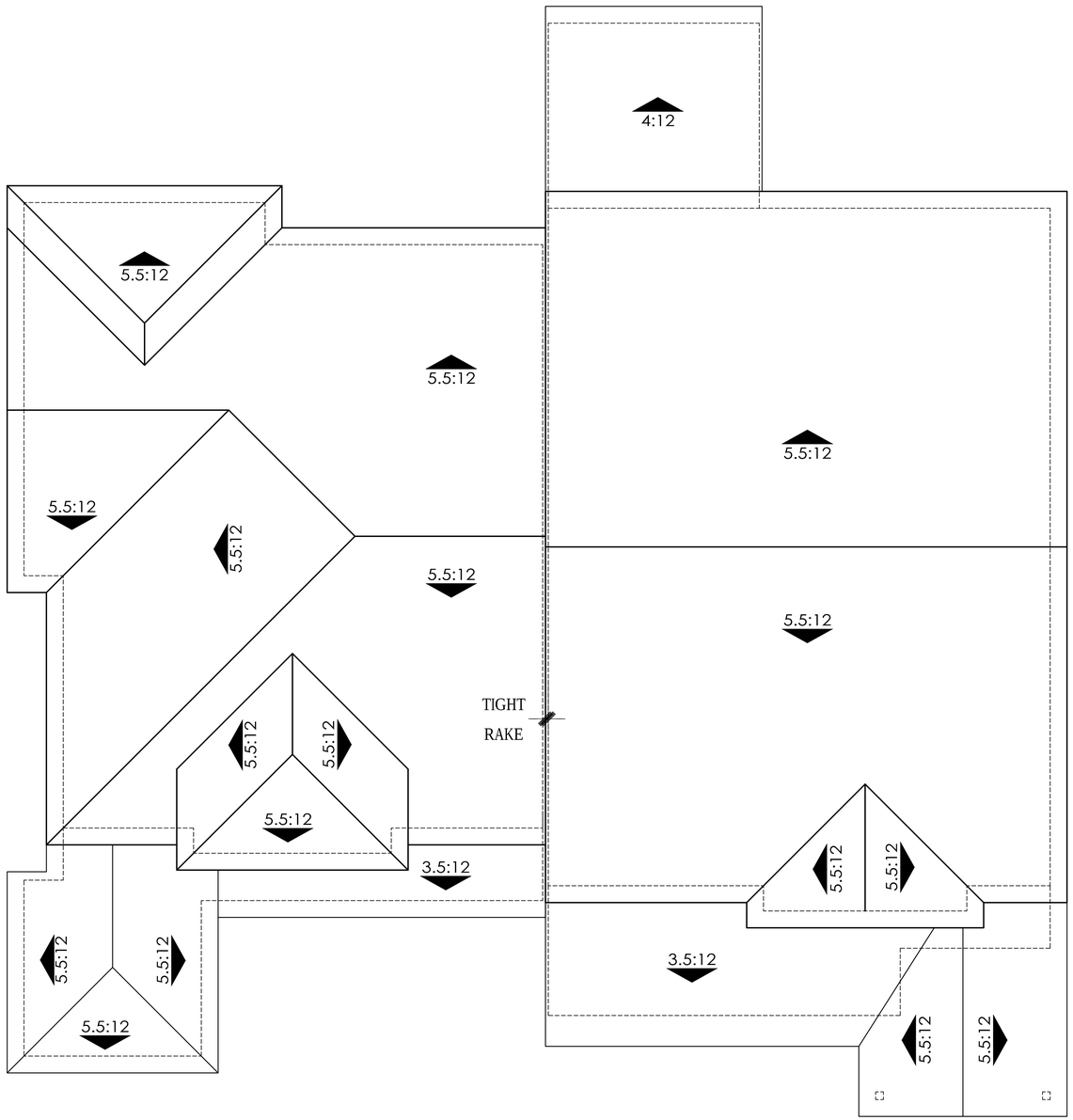
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

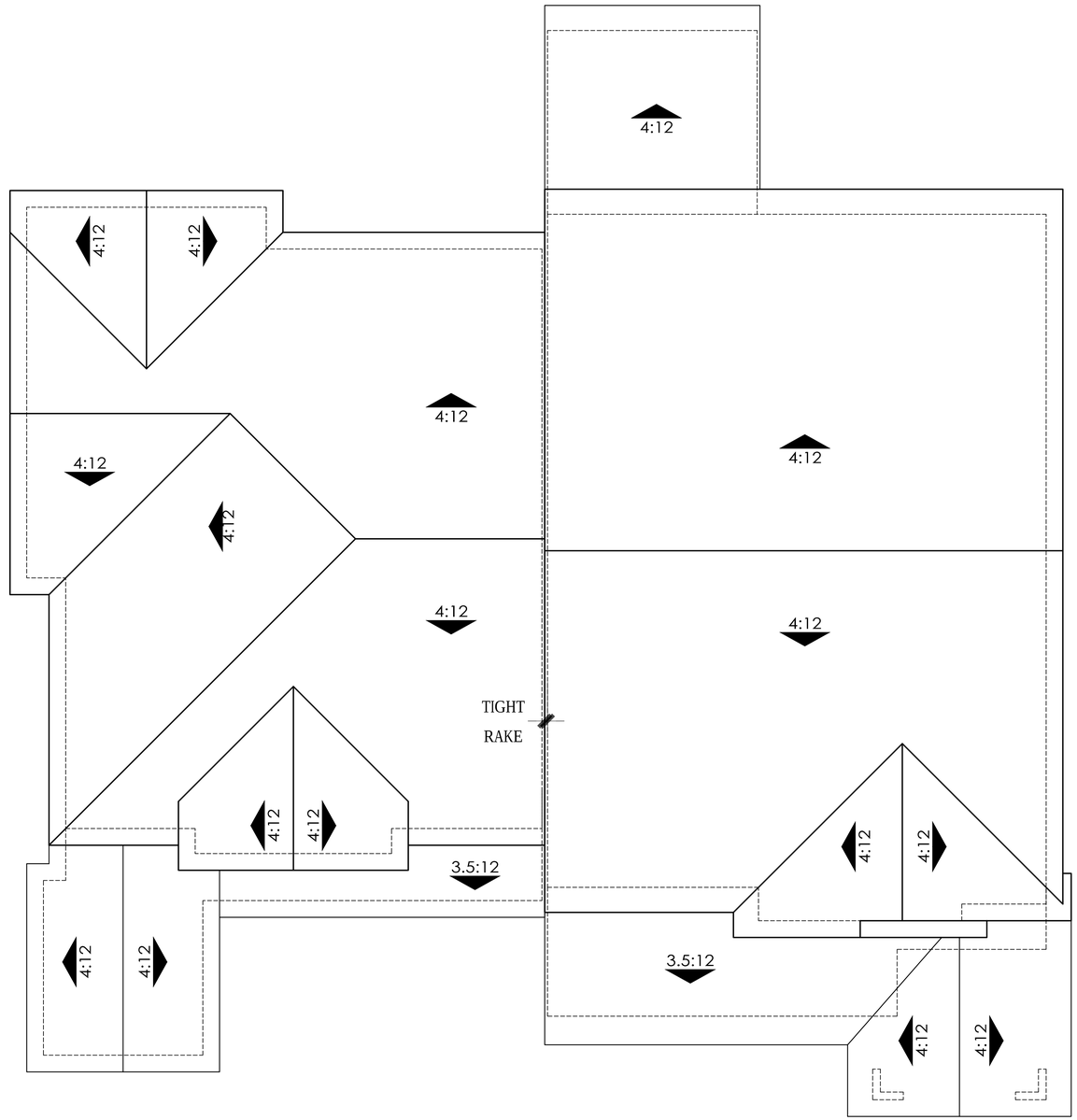
DUET 1R-3 : EXTERIOR ELEVATIONS 'D-A'

A2.35



DUET 1R-3 ELEVATION 'B-C'
ROOF PLAN

OVERHANG: 12", U.N.O.
RAKE: 12", U.N.O.
SLOPE: 5.5:12, U.N.O.



DUET 1R-3 ELEVATION 'A-D'
ROOF PLAN

OVERHANG: 12" AT STYLE 'A', 18" AT STYLE 'D'
RAKE: 12", U.N.O.
SLOPE: 4:12, U.N.O.

ktgy
Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

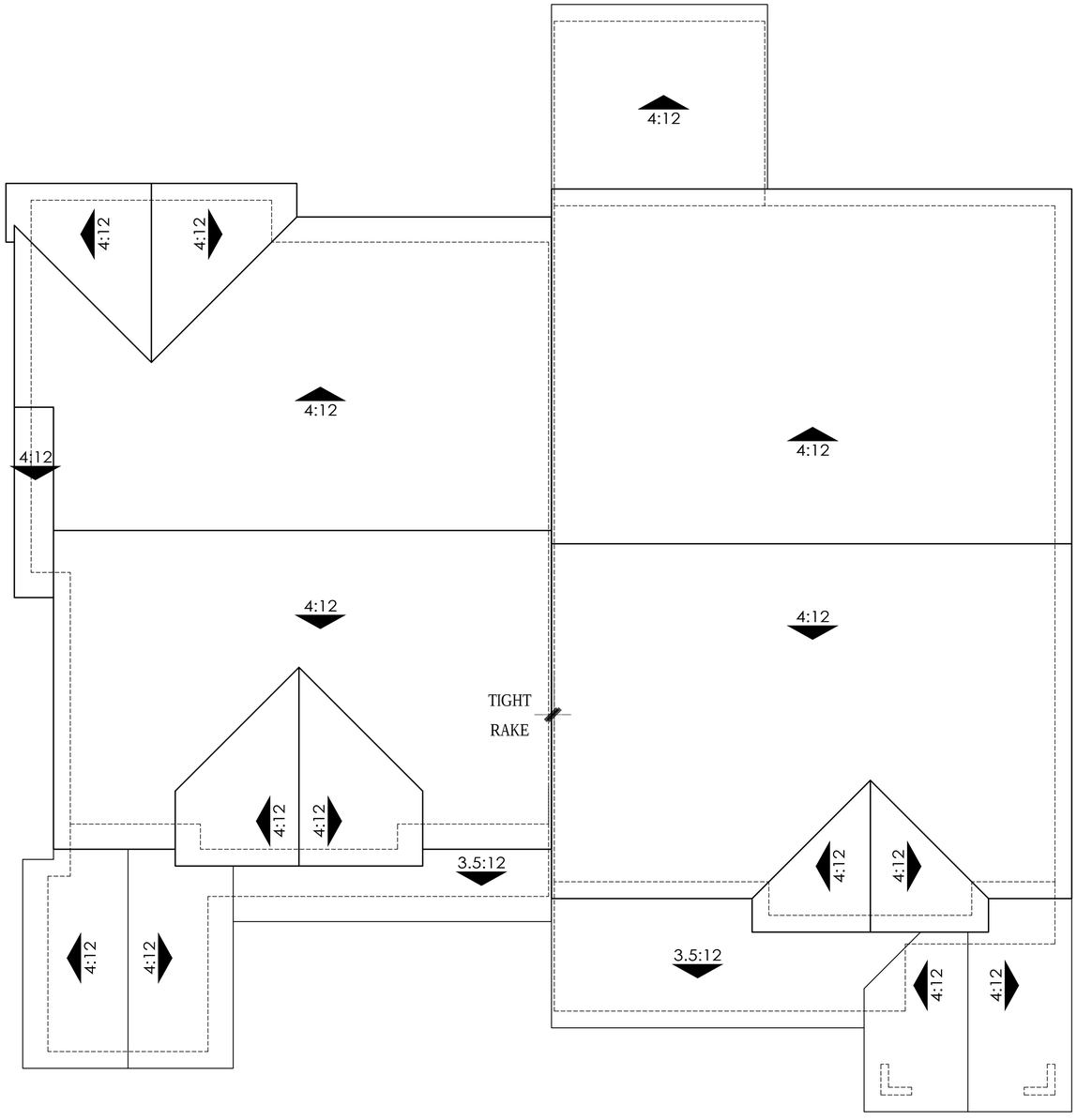
TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

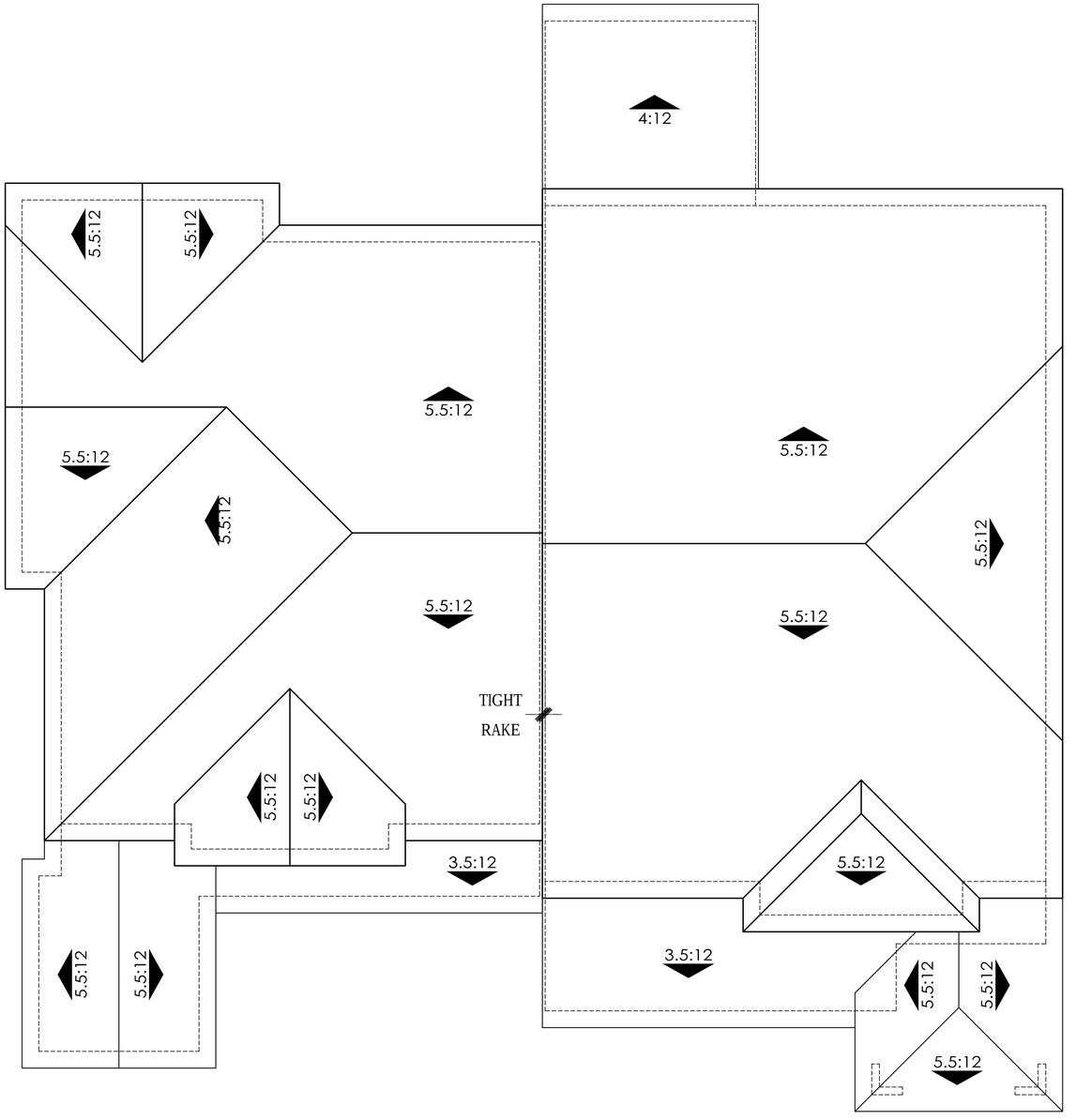
DUET ROOF PLANS: 1R-3

A2.36



DUET 1R-3 ELEVATION 'D-A'
ROOF PLAN

OVERHANG: 12" AT STYLE 'A', 18" AT STYLE 'D'
RAKE: 12", U.N.O.
SLOPE: 4:12, U.N.O.



DUET 1R-3 ELEVATION 'C-B'
ROOF PLAN

OVERHANG: 12"
RAKE: 12", U.N.O.
SLOPE: 5.5:12, U.N.O.

Architecture + Planning
The Leamington Building
1814 Franklin Street
Suite 400
Oakland, CA 94612
510.272.2910
ktgy.com

TRACY PHASE I, LLC
1042 N. Central Avenue
Tracy, CA

TRACY HILLS DUETS
TRACY, CA # 2020-0354

CONCEPTUAL DESIGN
SEPTEMBER 16, 2020

DUET ROOF PLANS: 1R-3

A2.37

INITIAL STUDY
FOR
PROPOSED AMENDMENT TO THE TRACY HILLS SPECIFIC PLAN FOR VILLAGE 7C PROJECT

September 2020

Prepared For:

City of Tracy
Department of Development Services
333 Civic Center Plaza
Tracy, CA 95376

Prepared By:

Kimley-Horn and Associates, Inc.
10 South Almaden Boulevard, Suite 150
San Jose, CA 95113

TABLE OF CONTENTS

Introduction 1
Previous Environmental Analysis of the Project Site 1
California Environmental Quality Act 1
Proposed Amendment to the Approved THSP Project 3
Specific Plan Amendment 3
General Plan Amendment 4
Proposed Revisions to the Vesting Tentative Subdivision Map 4
Development Review Permit 4
THSP Environmental Impact Analysis Summary 7
Environmental Evaluation 18
I. Aesthetics 19
II. Agricultural and Forestry Resources 23
III. Air Quality 26
IV. Biological Resources 34
V. Cultural Resources 47
VI. Geology and Soils 52
VII. Greenhouse Gas Emissions 56
VIII. Hazards and Hazardous Materials 59
IX. Hydrology and Water Quality 69
X. Land Use and Planning 78
XI. Mineral Resources 81
XII. Noise 83
XIII. Population and Housing 90
XIV. Public Services, Recreation, and Utilities 93
XV. Transportation/Traffic 104
XIX. Mandatory Findings of Significance 111
Determination of Appropriate CEQA Documentation 112
Section 15162 – Subsequent EIRs and Negative Declarations 112
Conclusion 113

LIST OF FIGURES

Figure 1: Regional Location Map 11
Figure 2: Project Vicinity Map 12
Figure 3: Proposed THSP Zoning Concept 13
Figure 4: Proposed THSP Land Use Concept 14
Figure 5: Proposed General Plan Land Use Concept 15
Figure 6: Existing Vesting Tentative Subdivision Map 16
Figure 7: Proposed Vesting Tentative Subdivision Map 17

LIST OF TABLES

Table 1: Land Use Plan Buildout (2035) 5
Table 2: THSP SEIR Potentially Significant Environmental Impacts Table 7
Table 3: Trip Generation 106

ATTACHMENTS

Attachment A: Tracy Hills Phase 1A Village 7C Traffic Study

INTRODUCTION

This Initial Study provides an analysis of the proposed Amendment to the Tracy Hills Specific Plan (THSP) (proposed Project). The Amendment would change the land use designations for properties within the current boundaries of the approved THSP, specifically in the area referred to as Tracy Hills Village 7C Project (Project site) as shown in Figure 1: Regional Location Map and Figure 2: Project Vicinity Map. Overall, the proposed Project would result in a land use designation change from low density residential to medium density residential within the Project site, as shown in Figure 3: Proposed THSP Zoning Concept and Figure 4: Proposed THSP Land Use Concept.

PREVIOUS ENVIRONMENTAL ANALYSIS OF THE PROJECT SITE

The Tracy City Council approved the THSP Project and certified the corresponding Subsequent EIR (Tracy Hills Specific Plan SEIR [SCH# 2013102053]) and certified the final subsequent EIR on April 5, 2016. The THSP SEIR was a "program" EIR within the meaning of Section 15168 of the CEQA Guidelines. This analysis incorporates by reference, where relevant and appropriate, discussion and analysis contained in the previously certified THSP SEIR. The THSP SEIR evaluates the potential environmental impacts resulting from the approval and implementation of the THSP. The THSP involves the development of 2,736.1 acres of land with residential, commercial, open space, mixed-use business park, and industrial uses. The THSP SEIR evaluated several actions associated with implementation of the THSP including approval of the Specific Plan including a General Plan Amendment; approval of a Zoning Map and Text Amendment; approval of a development agreement; approval of a new Storm Drainage Master Plan; tentative and final map approvals; and development permits and building permits. The THSP was prepared to set forth a comprehensive planning framework, as well as to identify development regulations and design guidelines relating to land uses, development standards, architecture, landscaping, park/recreational and open space facilities, circulation, signage, sustainability features, as well as all other necessary on- and off-site infrastructure improvements required to implement the THSP.

California Environmental Quality Act

This Initial Study has been prepared in accordance with the provisions of the California Environmental Quality Act (CEQA) (California Public Resources Code [PRC] §§ 21000 et seq.); the State CEQA Guidelines (Title 14, California Code of Regulations [CCR] §§ 15000 et seq.); and the rules, regulations, and procedures for implementing CEQA as set forth by the City of Tracy (City).

Section 15162(a) of the State CEQA Guidelines states the following:

(a) When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one of more of the following:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:

(A) The project will have one or more significant environmental effects not discussed in the previous EIR or negative declaration;

(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR.

(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Pursuant to Section 15168, the City has prepared this Initial Study to determine whether any of the conditions described in Section 15162(a) would occur, or whether any changes or additions would be required to the THSP SEIR, if the proposed Project is approved.

Based on the analysis and evaluation provided in this Initial Study, no new significant impacts would occur because of the proposed Amendment, nor would there be any substantial increase in the severity of any previously identified significant environmental impact. In addition, no new information of substantial importance shows that mitigation measures or alternatives that were previously found not to be feasible or that are considerably different from those analyzed in the Tracy Hills Specific Plan Final Environmental Impact Report would substantially reduce one or more significant effects on the environment. Therefore, no conditions described in Section 15162(a) of the CEQA Guidelines have occurred or would occur with approval of the proposed Project. In addition, no changes or additions to the certified THSP SEIR were or are required for review and approval of the Project. Therefore, based on Section 15168(c)(2) of the CEQA Guidelines, the City can approve the proposed Project as within the scope of the development program evaluated in the THSP SEIR and no further environmental document is required.

PROPOSED AMENDMENT TO THE APPROVED THSP PROJECT

An application for an Amendment to the previously approved THSP, General Plan Amendment, and Vesting Tentative Map (together, the proposed Project) has been submitted to the City of Tracy for consideration. The purpose of the Amendment would change the land use designations for properties within the current boundaries of the THSP (specifically in the area referred to as Tracy Hills Village 7C Project) and respective revisions to Figure 2-2, Land Use Designations of the City General Plan. The following provides a comprehensive description of the proposed Project.

Project Location

The Project site is located within the THSP Area in the southern portion of the City of Tracy in San Joaquin County, California as shown in Figure 1, *Regional Location Map*. The THSP Area consists of approximately 2,731.6 acres and surrounds the existing interchange at Corral Hollow Road and the proposed Lammers Road interchange on Interstate 580 (I-580). Refer to Figure 2, *Project Vicinity*.

Specific Plan Amendment

The THSP Amendment would change the land use designations for properties within the current boundaries of the THSP, specifically in the area referred to as Tracy Hills Village 7C Project (Project site). Refer to Figure 3: *Proposed THSP Zoning Concept* and Figure 4: *Proposed THSP Land Use Concept*. The Project proposes to re-designate and shift zoning for the 7C Village from Low Density Residential to Medium Density Residential, resulting in an additional 66 dwelling units. The breakdown is as follows:

- Low Density Residential (LDR): decrease of 28 acres
- Medium Density Residential (MDR): increase of 28 acres

As shown in Table 1: Land Use Plan Buildout (2035), the project would result in an increase of 28 acres of MDR and a decrease of 28 acres of LDR. Therefore, there would be no change in the total acres of land considered for THSP. It is important to note that the projected number of dwelling units shown in Table 1 are based on a standard formula used across the entire THSP, and are representative estimates based on developable acreage and allowable FAR. The Vesting Tentative Map proposed as part of this Project includes an increase of 66 dwelling units on the Project site, which is within the maximum allowable limit denoted in Table 1.

The MDR allows for 5.9 to 12.0 DU/AC compared to the LDR density limit of 2.1 to 5.8 DU/AC. Given that the density in the MDR Zoning District is more intensive than that of the LDR Zoning District, land uses would be slightly more intense than those considered for the 7C Village in the THSP. However, the land uses would be generally consistent with the overall intensity considered for the THSP as a whole.

Although the number of people utilizing the Project site daily would be slightly more than previously considered in the THSP SEIR, the vehicle trips generated by the proposed Project would only result in an overall daily a.m. peak hour increase of approximately 36 trips, and an overall daily p.m. peak hour trips increase of approximately 70 trips (see Section XV, Transportation). As discussed below in Section XV,

Transportation, the overall total trips generated from the proposed Project would remain substantially less than the originally approved trip generation from the THSP SEIR.

The proposed THSP Amendment also includes a minor addition to Table 2-3, Development Standards - Residential Zoning Districts of the THSP to provide clarification for attached residential developments. The minimum setback standard as originally approved in the THSP allowed for a minimum of 3 feet. Modifications to setback development standards for MDR would allow the minimum side yard setback for MDR to be reduced to zero for attached residential developments. The developer would be required to demonstrate that every lot has size and dimensions capable of meeting the land use, public utilities, and development standards of the THSP.

General Plan Amendment

The proposed General Plan Amendment (GPA) would change the land use designations for properties within the current boundaries of the THSP, specifically in the area referred to as Tracy Hills Village 7C Project (Project site). Refer to Figure 5: *Proposed General Plan Land Use Concept*. The Project proposes to re-designate and shift land uses for the 7C Village from Residential Low to Residential Medium to be consistent with the THSP Amendment.

PROPOSED REVISIONS TO THE VESTING TENTATIVE SUBDIVISION MAP

A revised Vesting Tentative Subdivision Map (VTSM) to the previously approved VTSM for the Village 7C Project site has been submitted to the City of Tracy for consideration. The previously approved VTSM for Phase 1A was approved for 66 lots (70-foot wide lots) for the Village 7C area as shown in *Figure 6: Existing Vesting Tentative Subdivision Map*. The proposed VTSM would roughly split each lot in half, resulting in a total of 132 lots (35-foot wide lots) as shown in Figure 7: *Proposed Vesting Tentative Subdivision Map*. This would be an increase of 66 lots from the previously approved VTSM. There would be no change to block and street layout from the previously approved VTSM.

The proposed Project would re-designate and shift zoning for the 7C Village from LDR to MDR, allowing up to 28 acres of MDR (See Table 1). As shown in Figure 7, The proposed VTSM shows the 132 lots on approximately 19 acres rather than 28 acres because it excludes the State's drainage basin and a few Homeowner Associated landscape parcels adjacent to the 100-foot wide conservation easement.

DEVELOPMENT REVIEW PERMIT

An application for a Development Review Permit has been submitted to the City of Tracy for consideration to approve the residential architecture for Village 7C, which is proposed as a "duets design". The duets design combines attached single family developments in pairs with each unit on a separate lot.

Table 1: Land Use Plan Buildout (2035)

Zoning District or Land Use Designation	Target Density Range or F.A.R (DU's/ac.)	THSP			Proposed Project			Difference Between THSP and Proposed Project		
		Gross Acres	Developable Acres	Dwelling Units (DU)/ Square Feet (SF)	Gross Acres	Developable Acres	Dwelling Units (DU)/ Square Feet (SF)	Gross Acres	Developable Acres	Dwelling Units (DU)/ Square Feet (SF)
Residential Estate	0.5-2.0	95.6	81.3	122 DU	N/A	N/A	N/A	No change	No change	No Change
Low Density Residential	2.1-5.8	1,216.0	876.3	3,238 DU	1,188	852.5	3,150	-28.0	-23.8	-88
Medium Density Residential	5.9-12.0	348.1[1]	295.9	2,204 DU	376.1	319.7	2,381	+28.0	+23.8	+177
High Density Residential	12.1-25.0	9.2	7.8	125 DU	N/A	N/A	N/A	No change	No change	No change
Mixed-use Business Park	0.2 F.A.R	211.1	179.4	1,561,933 SF	N/A	N/A	N/A	No change	No change	No change
General Highway Commercial	0.2 F.A.R	72.4[1]	61.5	535,788 SF	N/A	N/A	N/A	No change	No change	No Change
Light Industrial	0.25 F.A.R	363.1	308.6	3,360,654 SF	N/A	N/A	N/A	No change	No change	No change
Conservation Corridors	N/A	123.3	N/A	N/A	N/A	N/A	N/A	No change	No change	No change

Zoning District or Land Use Designation	Target Density Range or F.A.R (DU's/ac.)	THSP			Proposed Project			Difference Between THSP and Proposed Project		
		Gross Acres	Developable Acres	Dwelling Units (DU)/ Square Feet (SF)	Gross Acres	Developable Acres	Dwelling Units (DU)/ Square Feet (SF)	Gross Acres	Developable Acres	Dwelling Units (DU)/ Square Feet (SF)
Interstate 580 Interchange and ROW	N/A	137.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
California Aqueduct ROW	N/A	143.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Union Pacific Railroad	N/A	12.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Totals								**0**	**0**	**+89 DU**

Notes:

[1] 8.7 acres of General Highway Commercial will be zoned with a Medium Density Residential Overlay and is anticipated to be developed with residential uses. As such this acreage is accounted for in the Medium Density Residential zoning district.

[2] The number of projected dwelling units shown in Table 1 are based on a formula used across the entire Specific Plan. Numbers shown in this table are only estimates and not actual development. The actual increase to Village 7C will be 66 units, as described in text and shown in Figure 7, *Proposed Vesting Tentative Subdivision Map*.

Source: Application For Tracy Hill Specific Plan Amendment For the 7C Village Project, June 2020; Tracy Hill Specific Plan (amended 2020), June 2020.

THSP ENVIRONMENTAL IMPACT ANALYSIS SUMMARY

The 2016 THSP Final EIR certified in January 2016, found the potentially significant environmental effects of the THSP to be as shown in Table 2: *THSP SEIR Potentially Significant Environmental Impacts Table*.

Table 2: THSP SEIR Potentially Significant Environmental Impacts Table

	Significant and Unavoidable Impacts	Less Than Significant with Mitigation Incorporated
Aesthetics	• Visual aspect of and views in the Specific Plan Area (Project and Cumulative Impact) • Adverse effects on a state-designated scenic highway • Adverse change in the character of the site	• New sources of light and glare
Agriculture	• Conversion of Prime Farmland and other Important Farmland (Project and Cumulative)	• Incompatible with adjacent agricultural activity
Air Quality	• Inconsistency with adopted Air Quality Management Plan • Cumulative construction emissions (ROG, and NO_x) (Buildout) • Cumulative operational emissions (ROG, NO_x, CO, PM_{10}, $PM_{2.5}$) (Phase I and Buildout) • Emission of ozone precursors and particulate matter	• Exposure of sensitive receptors to substantial pollutant concentrations
Biological Resources	N/A	• Adverse impact on wildlife movement • Impact on special-status animal species • Impact on federally protected wetlands as defined by Section 404 of the Clean Water Act • Construction during bird nesting season

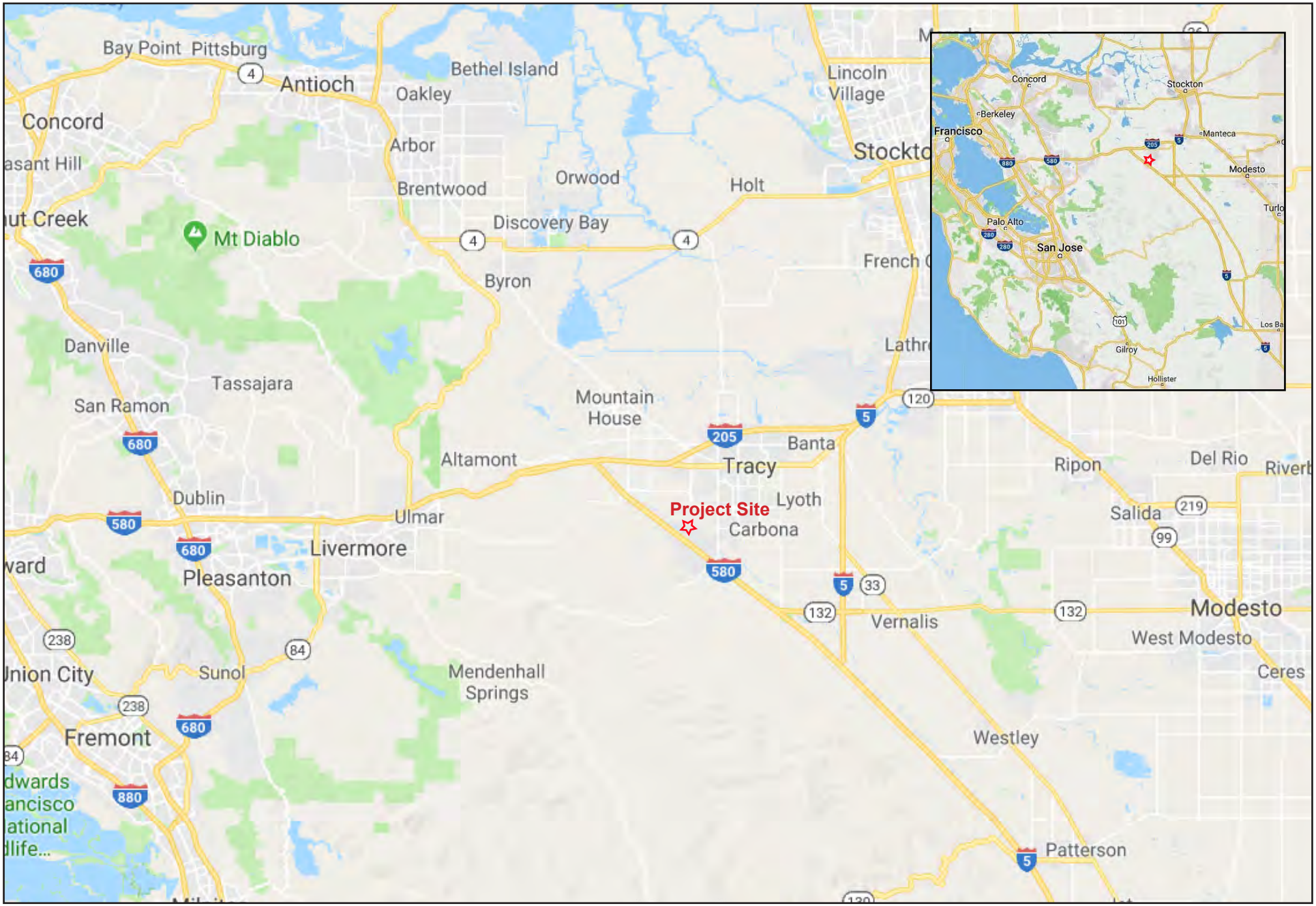
		• Conflict with tree preservation policy or ordinance • Conflict with Habitat Conservation Plan/Natural Community Conservation Plan
Cultural Resources	N/A	• Damage to cultural resources (buried archeological deposits) • Damage to paleontological resources • Human remains encountered during construction
Greenhouse Gas Emissions	• Generation of GHG emissions during construction and operation (Project and Cumulative)	• Conflict with greenhouse gas reduction plan, policy, or regulation
Geology and Soils	N/A	• Expansive soil
Hazards and Hazardous Materials	N/A	• Routine use, transport, and disposal of hazardous materials • Release from nearby crude oil, natural gas, and petroleum pipelines • Breach or rupture of the California aqueduct • Attract wildlife that is hazardous to aircraft associated with Tracy Municipal Airport • Conflict with adopted emergency response plan and emergency evacuation plan • Exposure structures adjacent to undeveloped areas to risk of wildland fires
Hydrology and Water Quality	N/A	• Storm water discharge requirements and water quality • Soil erosion and sedimentation • Storm water runoff volumes

		• Pollutants (associated with non-residential storm water runoff) • 100-Year Flood Hazard Areas
Land Use	N/A	• Conflict with 2009 San Joaquin Airport Land Use Compatibility Plan
Noise	• Exposure of persons to noise levels in excess of established standards • Traffic noise level increases (Project and Cumulative)	• Expose persons or generate excessive groundborne vibration
Public Services and Utilities	N/A	• Need for new or physically altered fire protection facilities • Need for new or physically altered law enforcement facilities • Need for yet to be constructed City Water System Master Plan (WSMP) facilities • Need for wastewater treatment capacity
Traffic	• Impact to bicycle and pedestrian modes • Freeway segments during construction (Phase 1) • Impact to the existing roadway, intersections and freeway network (Buildout) • Impact to the existing roadway, Caltrans intersections (Buildout) • Level of service at intersections during construction (Phase 1) • Impact to the 2035 roadway and freeway network (Phase 1 and Cumulative)	• Impact to Phase 1a roadway network and operation and safety of pedestrians, cyclists, and vehicles on adjacent roadway facilities • Impact to roadway network and safety and operations on adjacent roadway facilities from temporary offsite school for 450 students • Impact to Phase 1a roadway network and roadway facilities from temporary on-site school

	• Impact to the 2035 roadway and freeway network (Buildout) • Impact to Altamont Pass, Corral Hollow Road, Patterson Pass, roadways in Alameda County (Phase 1) • Impact on existing Phase 1a street network and streets surrounding the school site (Phase 1) • Impact to bicycle and pedestrian connection from Spine Road along Corral Hollow Road	

It was determined in the THSP SEIR that implementation of mitigation measures identified in the THSP SEIR would reduce the severity of several of the aforementioned impacts to a level of less than significant. Where the THSP SEIR identified significant and unavoidable impacts, even after the consideration of mitigation measures, such impacts are identified herein as significant and unavoidable. Where applicable, mitigation measures stemming from the previously certified THSP SEIR and adopted as conditions of THSP approval would be incorporated into the proposed Project.

For impacts not identified in Table 2*: THSP SEIR Potentially Significant Environmental Impacts Table,* the THSP SEIR found that buildout of the THSP would have a less than significant impact or no impact to topical areas evaluated pursuant to the *CEQA Guidelines*.

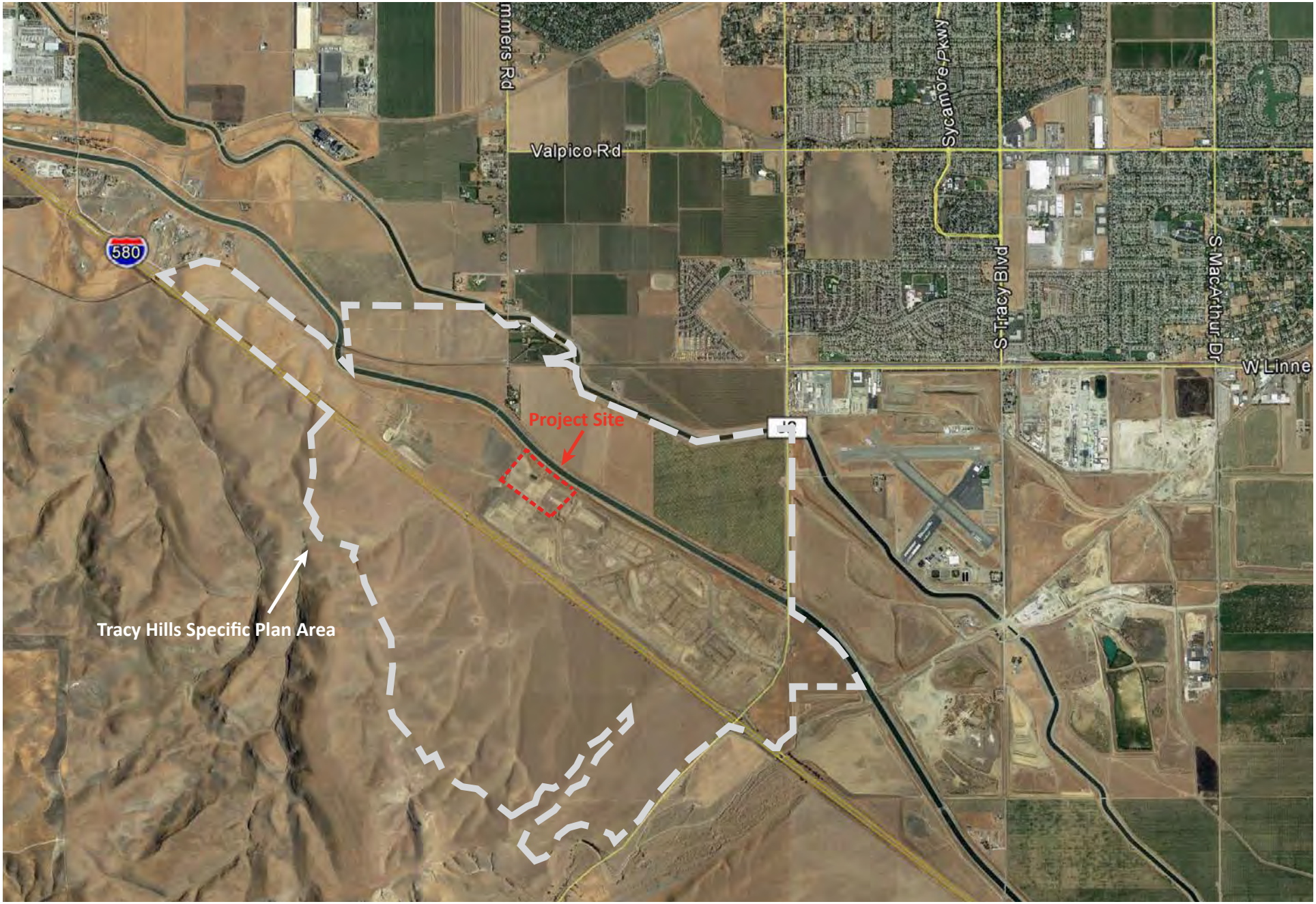


Source: Google Maps, 2020

Figure 1: Regional Location Map

Not to scale

Kimley»Horn
Expect More. Experience Better.



Source: Google Maps, 2019

Figure 2: Project Vicinity Map

Not to scale

Kimley»Horn
Expect More. Experience Better.

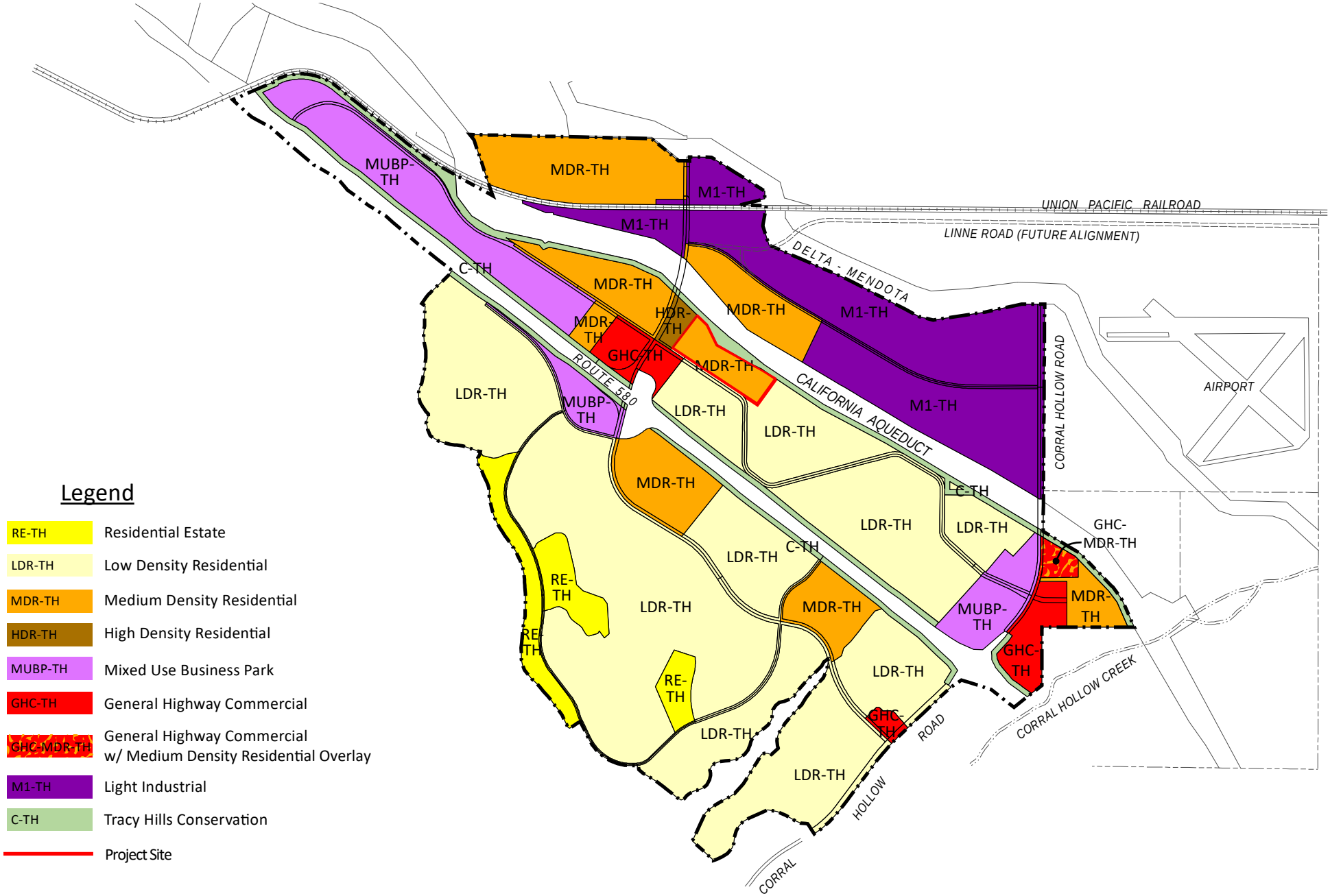
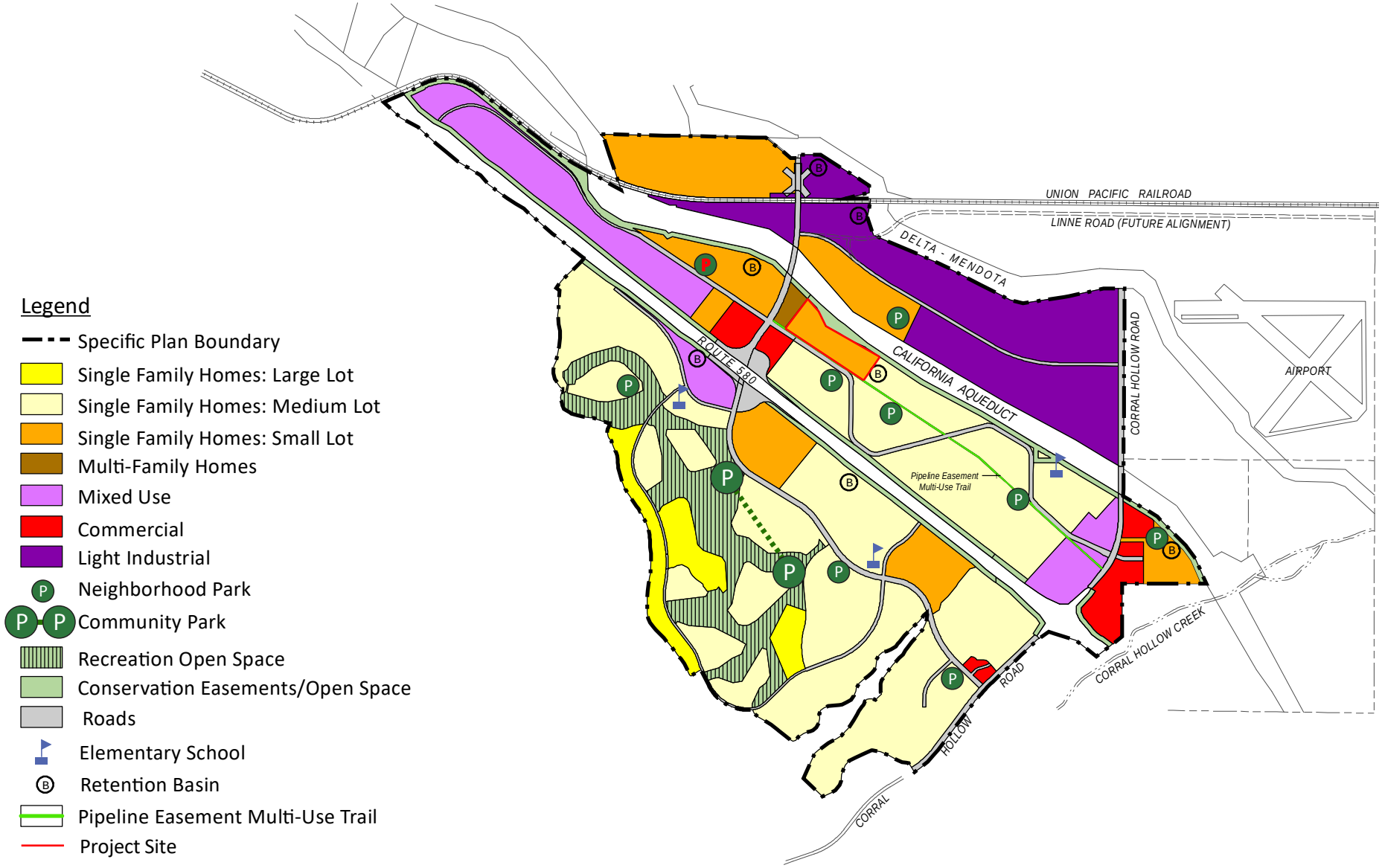


Figure 3: Proposed THSP Zoning Concept

Not to scale

Kimley»Horn
Expect More. Experience Better.

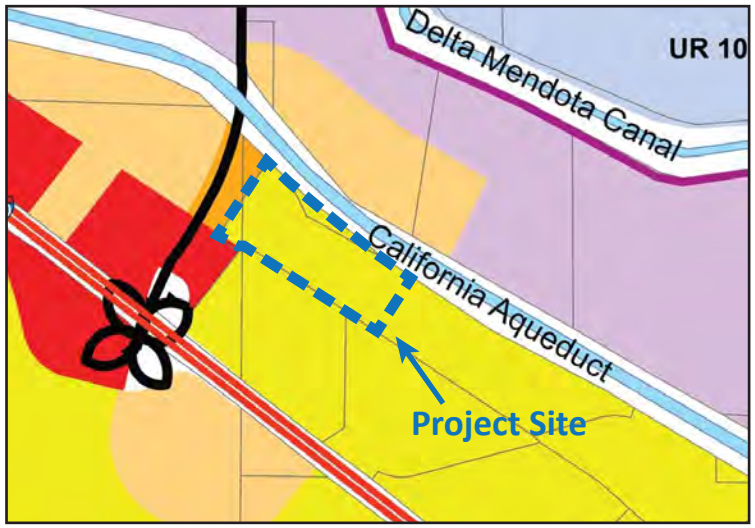


NOTES:
1. The locations, numbers, and configurations of public schools, park sites, and public utilities are conceptual and subject to change.
2. This exhibit is for conceptual purposes to show approximate locations.

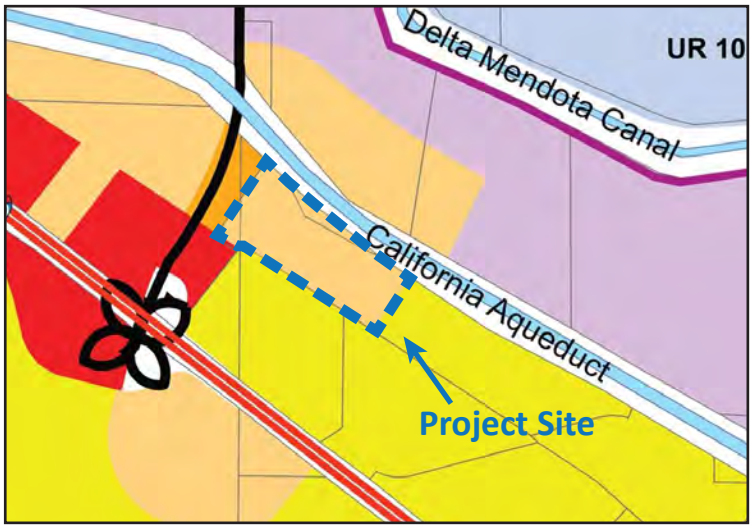
Figure 4: Proposed THSP Land Use Concept

Not to scale

Kimley»Horn
Expect More. Experience Better.



Current THSP Land Use Concept



Proposed THSP Land Use Concept

City of Tracy General Plan Land Use Designations

- Commercial
- Residential High
- Residential Medium
- Residential Low
- Industrial

Figure 5: Proposed General Plan Land Use Concept

Not to scale

Kimley»Horn
Expect More. Experience Better.

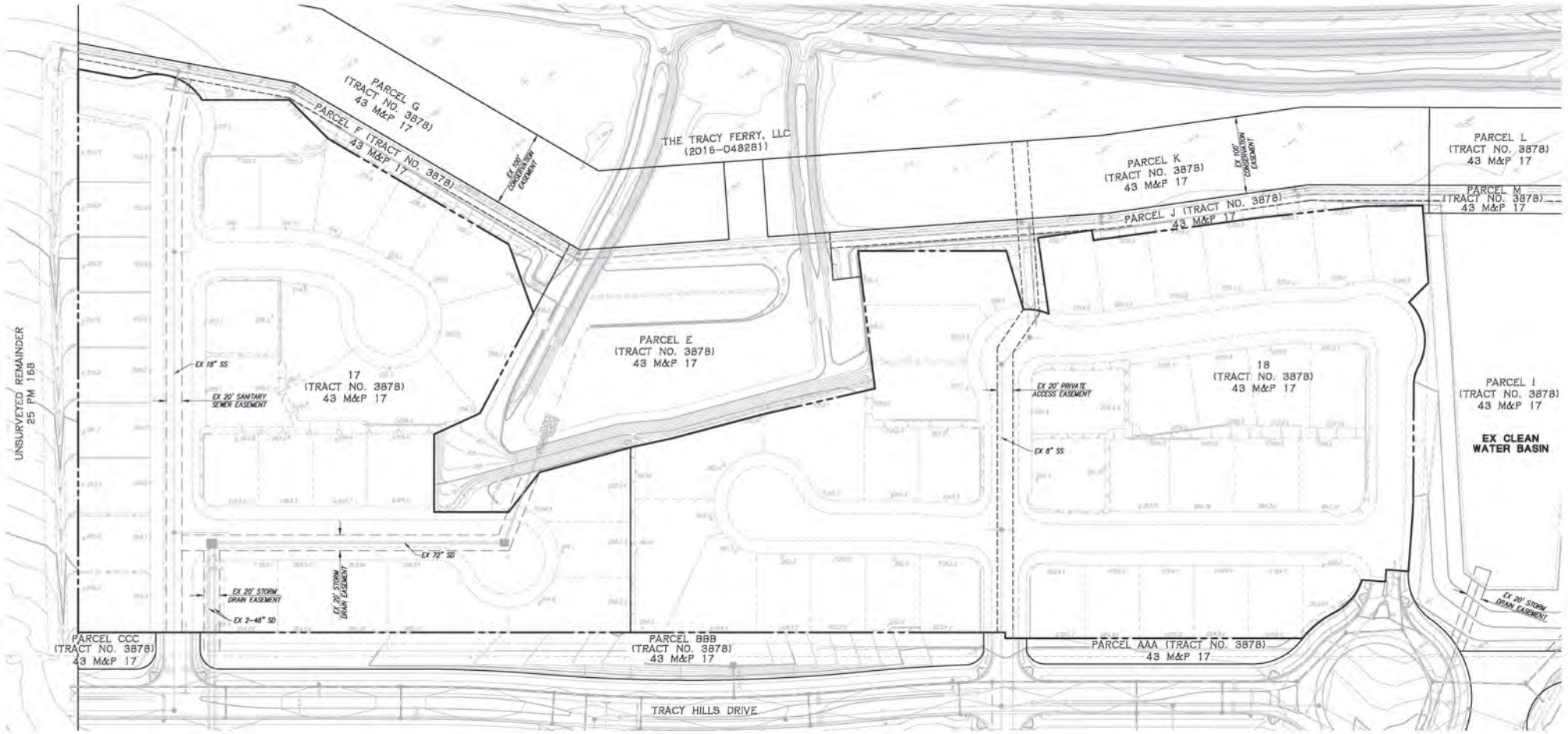


Figure 6: Existing Vesting Tentative Subdivision Map

Not to scale

Kimley»Horn
Expect More. Experience Better.

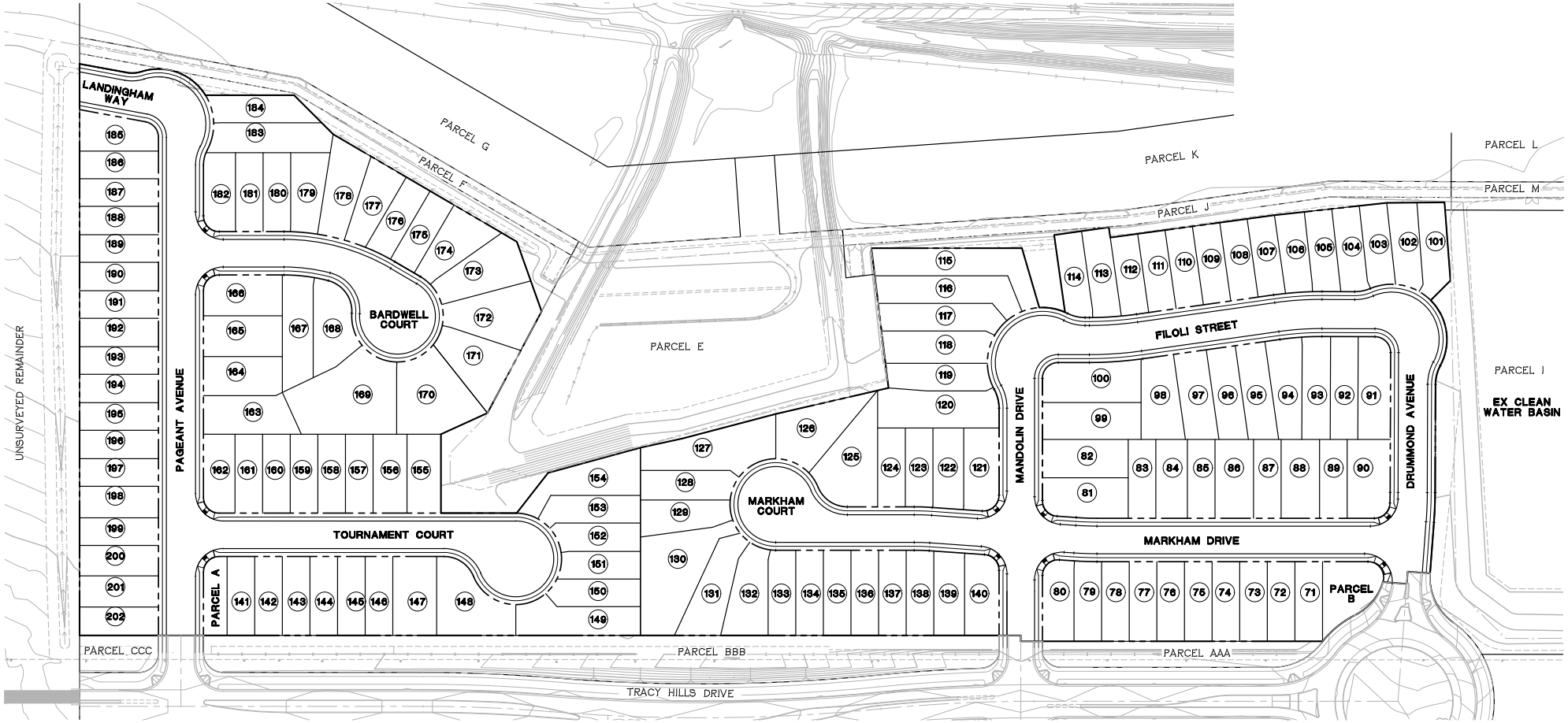


Figure 7: Proposed Vesting Tentative Subdivision Map

Not to scale

Kimley»Horn
Expect More. Experience Better.

ENVIRONMENTAL EVALUATION

This section evaluates the potential environmental effects of the proposed Project, as compared to the THSP SEIR, using the environmental checklist from the State *CEQA Guidelines* as amended. The definitions of the response column headings include:

A. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant after the implementation of feasible mitigation measures. The impact may warrant additional analysis within a Subsequent or Supplemental EIR or the Impact would be within the scope of analysis in the THSP SEIR and require no additional analysis to identify additional mitigation measures.

B. "Less than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measure has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." Mitigation measures from the THSP SEIR will be cross-referenced when applicable.

C. "Less Than Significant Impact" applies where the project creates no significant impacts, only Less than Significant Impacts. These impacts are within the scope of Less Than Significant Impacts identified and evaluated within the THSP SEIR and below thresholds considered significant.

D. "No Impact" applies where the project does not create an impact in that category.

E. "Reviewed Under Previous Document" indicates the impact created by the proposed Project would be the same as that identified in the THSP SEIR for the corresponding threshold. Where this finding is made, both are so noted herein and the corresponding boxes are checked in the Environmental Checklist.

I. AESTHETICS

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
a. Have a substantial adverse effect on a scenic vista?	☐	☐	☐	☐	☒
b. Substantially damage scenic resources, including, but not limited to trees, rock outcroppings, and historic building along a State-designated scenic highway?	☐	☐	☐	☐	☒
c. Substantially degrade the existing visual character or quality of the site and its surroundings?	☐	☐	☐	☐	☒
d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the Project have a substantial adverse effect on a scenic vista?

As identified in the THSP SEIR, impacts related to scenic vistas were considered significant and unavoidable. Implementation of the THSP would alter the visual character and views to and from the 2,732-acre THSP area with development (buildings, structures, lighting). The THSP SEIR concluded that with implementation of Mitigation Measure AES 4.1-1 in the THSP SEIR, impacts to scenic vistas would still remain significant and unavoidable.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure AES 4.1-1****: The THSP contains design guidelines and landscaping standards (Tracy Hills Specific Plan, pages 3-1 through 3-96) which have been implemented in the Phase 1a Vesting Tentative Map (Figure 3-12, Phase 1a Vesting Tentative Map), and which would be required on individual, site-specific developments within the THSP. These measures would ensure that development within the Project Area is aesthetically pleasing and is compatible with current development in the City of Tracy. Beyond these measures, there is no feasible mitigation. [This is Mitigation Measure 4.1-1 in the THSP SEIR]*

The proposed Project would result in a net increase of medium density residential units and a net decrease in low density residential, as compared to the THSP (See Table 1: *Land Use Plan Buildout*). Although the proposed Project would change land use density limitations and increase development intensity in the project area, the conversion of undeveloped land to urbanized development would remain the same. Height limitations would remain the same within the project area and the overall mass and scale of development would be similar to that considered in the THSP SEIR. The proposed Project would have the

potential to create a substantial adverse impact on a scenic vista, similar to the approved THSP. With implementation of the above mitigation measure, the proposed Project's impact on a scenic vista would remain significant and unavoidable. However, this would not be a new specific impact, nor would it increase the severity of the impact previously identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (b) Would the Project substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a State scenic highway?

As noted in the THSP SEIR, the THSP Project Area is bisected by Interstate 580, a State designated scenic highway and borders Corral Hollow Road, a scenic road designated in the 1978 San Joaquin County General Plan. Views from I-580 to the THSP area would be directly impacted due to the adjacent development. As identified in the THSP SEIR, impacts related to scenic resources were considered significant and unavoidable. The THSP SEIR concluded that even with implementation of Mitigation Measure AES 4.1-2 identified in the THSP SEIR, impacts to scenic vistas would remain significant and unavoidable.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure AES 4.1-2****: The THSP contains design guidelines and landscaping standards (Tracy Hills Specific Plan, pages 3-1 through 3-96) which have been implemented in the Phase 1a Vesting Tentative Map (Figure 3-12, Phase 1a Vesting Tentative Map), and which would be required on individual, site specific development within the THSP. These measures would ensure that development within the THSP Project Area is aesthetically pleasing and is compatible with current development in the City of Tracy. Beyond these measures, there is no feasible mitigation. [This is Mitigation Measure 4.1-2 in the THSP SEIR]*

Project implementation would have the potential to impact views from the I-580. Similar to the approved THSP, the proposed Project would have the potential to create substantial damage to the identified scenic resources. Since proposed Project site is within the viewshed of Interstate 580 and Corral Hollow Road, which are considered as scenic routes, project development would have the potential to significantly impact scenic views. Although development intensity would increase slightly within the Project site, the addition of 66 dwelling units to the Project site would not change the overall scale and massing of the Project site, as compared to the THSP SEIR. Therefore, impacts would still remain significant and unavoidable even with implementation of the above mitigation measure. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (c) Would the project substantially degrade the existing visual character or quality of the site and its surroundings?

The THSP SEIR concluded that impacts related to degradation of the existing visual character or quality of the site and its surroundings were considered significant and unavoidable. The THSP at buildout would

transition primarily undeveloped rural agricultural land to a range of urban development including residential, office, and commercial, and industrial uses. Implementation of the THSP's development standards and design guidelines, and adherence to the Tracy General Plan goals, objectives, and policies, would reduce impacts associated with development within the THSP Area. However, due to the size and scope of the THSP Area, impacts to the visual character or quality of the THSP Area would remain significant and unavoidable even with implementation of Mitigation Measure AES 4.1-3 identified in the THSP SEIR.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure AES 4.1-3:*** *The THSP contains design guidelines and landscaping standards (Tracy Hills Specific Plan, pages 3-1 through 3-96) which would be required on individual, site specific development within the THSP. These measures would ensure that development within the THSP Project Area is aesthetically pleasing and is compatible with current development in the City of Tracy. Beyond these measures, there is no feasible mitigation. [This is Mitigation Measure 4.1-3 in the THSP SEIR]*

Similar to the approved THSP, the proposed Project would have the potential to degrade the existing visual character or quality of the Project site. Although the proposed Project would result in an additional 66 dwelling units on the Project site, the overall visual character of the Project site would not be changed because the land uses, heights, and development designs would all be similar to those considered in the THSP SEIR. As such, similar to the approved THSP, the proposed Project would have the potential to degrade the existing visual character. With implementation of the above mitigation measure, the proposed Project's impact on the existing visual character or quality of the Project site would remain significant and unavoidable. This would not be a new specific impact, nor would it be a substantial increase in the severity of the impact previously identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (d) Would the project create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?

As identified in the THSP SEIR, impacts related to light and glare, which would adversely affect day or nighttime views in the area, were considered significant and unavoidable. Light and glare from the THSP Area would come primarily from vehicle headlights and windshields traveling along I-580 and Corral Hollow Road. Other sources of light and glare within the THSP Area would come from single-family homes along Lammers Road and Corral Hollow Road. THSP implementation would also introduce new sources of light and glare coming from new commercial, business park and residential uses. Thus, impacts in respect to light and glare were determined to be significant and unavoidable with implementation of Mitigation Measure AES 4.1-4 in the THSP SEIR.

The following mitigation measure incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

Mitigation Measure AES 4.1-4: *To decrease light spillage and glare to the maximum extent practicable, all individual developments under the THSP shall be required to:*

- *Prior to final inspection or certificate of occupancy, all exterior and parking area lighting shall be directed downward or shielded, to prevent glare or spray of light on to public rights-of-way or adjacent residential property, consistent with City standards. [This is Mitigation Measure 4.1-4 in the THSP SEIR]*

Project implementation would result in the development of more dwelling units than previously analyzed in the THSP SEIR, which would be considered sources of light and glare. However, the sources of light from these additional residential units would not be considered new light sources to the Project site, compared to the assumptions in the THSP SEIR, because the Project site was already considered to be developed with residential uses. Similar to the approved THSP, compared to existing conditions, the proposed Project would have the potential to create a new source or light or glare which would adversely affect day or nighttime views in the area. With implementation of the above mitigation measure, the proposed Project's impact on light and glare would remain significant and unavoidable. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Cumulative Impacts

The potential aesthetic impacts related to views, aesthetics, and light and glare are site specific. While impacts are minimized with implementation of mitigation measures, impacts related to aesthetics across the THSP Area were considered cumulatively significant and unavoidable in the previously certified THSP SEIR. As identified in the THSP SEIR, the THSP would change the visual aspect of and views from, to, and across the THSP Area, add new development to viewsheds, bring urban development to a rural and agricultural area, resulting in cumulatively considerable contributions to significant impacts on scenic vistas, scenic resources within a State scenic highway, and visual character. The THSP SEIR concluded that with Mitigation Measure AES 4.1-5, impacts would remain significant and unavoidable.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

Mitigation Measure AES 4.1-5: *The THSP contains design guidelines and landscaping standards (Tracy Hills Specific Plan, pages 3-1 through 3-96) which would be required on individual, site specific development within the THSP. These measures would ensure that development within the THSP Project Area is aesthetically pleasing and is compatible with current development in the City of Tracy. Beyond these measures, there is no feasible mitigation. [This is Mitigation Measure 4.1-5 in the THSP SEIR]*

As discussed above, the proposed Project would not cause a new aesthetic impact to occur, nor an increase in the severity of an aesthetic impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

II. AGRICULTURAL AND FORESTRY RESOURCES

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	*Reviewed Under Previous Document*
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 Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. 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:					
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?	☐	☐	☐	☐	☒
b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☐	☐	☒
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))?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the project 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?

The THSP SEIR discussed that according to the California Department of Conservation Farmland Mapping and Monitoring Program, the Specific Plan Area contains approximately 25 acres of Prime Farmland as well as 2,700 acres of other farmland.[2] The 25 acres of Prime Farmland is located along Lammers Road, just south of the Delta-Mendota Canal and is made up of an existing vineyard. Impacts related to

[2] THSP SEIR, Figure 4.2-1

agricultural resources within the THSP Area were previously considered in the impact analysis in the Tracy General Plan EIR, however, no mitigation measures were identified to reduce this impact, and the Tracy City Council adopted a statement of overriding considerations with respect to the anticipated loss of farmland.[3]

The following mitigation measure incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure AG 4.2-1:*** *As part of the development process for individual site-specific development projects, the agricultural mitigation fee adopted by the City shall be paid for each acre of Prime Farmland to be developed. The fees shall be collected by the City at the time building permits are issued for such site-specific development projects, or as otherwise required by the City. [This is Mitigation Measure 4.2-1 in the THSP SEIR]*

The City currently uses the Agricultural Mitigation Fee Ordinance to collect in-lieu fees for impacts from development on agricultural land. Impacts related to the conversion of prime farmland were considered significant and unavoidable in the previously certified THSP SEIR. The Project would not result in additional conversion of undeveloped land to urbanized development, as compared to the THSP, because the THSP already considered the Project site would be entirely developed.

Further, the Project site does not contain Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. The Project site is designated as "Grazing Land", which is not recognized in CEQA thresholds of significance with respect to farmland conversion. With implementation of the above mitigation measure, the proposed Project's impact on conversion of prime farmland to non-agricultural uses would be less than significant. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP. As such, no further analysis is required.

Threshold (b) Would the project conflict with existing zoning for agricultural use, or a Williamson Act contract?

A Williamson Act contract is formed between local governments and private landowners for the purpose of restricting certain parcels of land to agricultural or related open space use. The Project site is not the subject of a Williamson Act contract and does not contain any lands zoned for agricultural uses. Therefore, no conflict exists in regard to the current zoning of the Project site. As such, the proposed Project would not include properties zoned for agricultural use or under Williamson Act Contract, and therefore no impact would occur. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP. As such, no further analysis is required.

[3] THSP SEIR, page 4.2-9

Threshold (c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use.

As discussed in the previously certified THSP SEIR, full buildout of the THSP would result in conversion of the THSP Area to urban uses. However, the proposed land uses in the THSP Area would be incompatible with adjacent land uses without appropriate buffer activities from development of the THSP. Impacts related to other changes in the existing environment which, due to the conversion of farmland to non-agricultural use were considered significant and unavoidable in the previously certified THSP SEIR even with implementation of Mitigation Measure AG 4.2-2.

The following mitigation measure incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure AG 4.2-2:*** As construction occurs along the Project Area boundary, buffers such as roadways, conservation easements, building setbacks, and parking areas, shall be required prior to occupancy of those structures, in compliance with General Plan Policy OSC-2.2 *[This is Mitigation Measure 4.2-2 in the THSP SEIR]*

The Project site does not contain Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. Implementation of the proposed Project would result in transition of primarily undeveloped grazing land to development of residential uses within the Project site. Given that no Important Farmland exists on the Project site, Project implementation would not result in conversion of farmland to non-agricultural uses and impacts would be less than significant. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Cumulative Impacts

As discussed above, the proposed Project would cause neither a new impact to occur, nor an increase in the severity of an impact previously disclosed. Amendment-related impacts are consistent with the environmental effects previously identified in the certified THSP SEIR.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure AG 4.2-3:*** *As part of the development process for individual site-specific development projects, the agricultural mitigation fee adopted by the City shall be paid for each acre of Prime Farmland to be developed. The fees shall be collected by the City at the time building permits are issued for such site-specific development projects, or as otherwise required by the City. [This is Mitigation Measure 4.2-3 in the THSP SEIR]*

As discussed above, the proposed Project would not cause a new agricultural impact to occur, nor a substantial increase in the severity of an agricultural impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor an increase in the severity of a cumulative impact previously disclosed.

III. AIR QUALITY

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
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:					
a. Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	☐	☒
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☐	☐	☒
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)?	☐	☐	☐	☐	☒
d. Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	☐	☐	☒
e. Create objectionable odors affecting a substantial number of people?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the project conflict with or obstruct implementation of the applicable air quality plan?

The proposed Project lies within the central portion of the San Joaquin Valley Air Basin (SJVAB). The San Joaquin Valley Air Pollution Control District (SJVAPCD) has jurisdiction over most air quality matters in the Basin and is tasked with implementing programs and regulations required by the federal and State Clean Air Acts. If a project is found to interfere with the region's ability to comply with federal and State air quality standards, local governments then need to consider project modifications or provide mitigation measures to eliminate the inconsistency of the project plans. In order for a project to be considered "consistent" with the latest Air Quality Plan (AQP), the project must be consistent with the goals, objectives, and assumptions in the respective plan to achieve Federal and State air quality standards. Additionally, both construction related and long-term emissions are required to be quantified and compared to the SJVAPCD significance thresholds.

Emissions from the construction and operational phase of the proposed Project were included as part of the emissions estimate for buildout conditions of the Specific Plan Area as evaluated in the previously

certified THSP SEIR. The THSP SEIR found that buildout would generate a substantial increase in (both construction and operational-related) criteria air pollutants that would exceed the SJVACPD's significance thresholds. As discussed in the THSP SEIR buildout of the THSP would result in exceedances of the SJVAPCD thresholds for criteria pollutants including inconsistencies with the 2013 Ozone Plan and the 2012 PM_{25} Plan in this regard.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure AQ 4.3-1a****: Prior to the issuance of any grading permit the City Engineer and the Chief Building Official shall confirm that the Grading Plan, Building Plans, and specifications stipulate that, in compliance with SJVAPCD Regulation VIII, excessive fugitive dust emissions shall be controlled by regular watering or other dust prevention measures. Implementation of the following measures would reduce short-term fugitive dust impacts on nearby sensitive receptors:*
>
> - *All disturbed areas, including storage piles, which are not being actively utilized for construction purposes, shall be effectively stabilized of dust emissions using water, chemical stabilizer/suppressant, covered with a tarp or other suitable cover or vegetative ground cover;*
> - *All on-site unpaved roads and off-site unpaved access roads shall be effectively stabilized of dust emissions using water or chemical stabilizer/suppressant;*
> - *All land clearing, grubbing, scraping, excavation, land leveling, grading, cut and fill, and demolition activities shall be effectively controlled of fugitive dust emissions utilizing application of water or by presoaking;*
> - *When materials are transported off-site, all material shall be covered, or effectively wetted to limit visible dust emissions, and at least six inches of freeboard space from the top of the container shall be maintained;*
> - *All operations shall limit or expeditiously remove the accumulation of mud or dirt from adjacent public streets at the end of each workday. (The use of dry rotary brushes is expressly prohibited except where preceded or accompanied by sufficient wetting to limit the visible dust emissions.) (Use of blower devices is expressly forbidden.);*
> - *Following the addition of materials to, or the removal of materials from, the surface of outdoor storage piles, said piles shall be effectively stabilized of fugitive dust emissions utilizing sufficient water or chemical stabilizer/suppressant;*
> - *Within urban areas, trackout shall be immediately removed when it extends 50 or more feet from the site and at the end of each workday;*
> - *Any site with 150 or more vehicle trips per day shall prevent carryout and trackout;*
> - *Limit traffic speeds on unpaved roads to 15 mph;*

- *Install sandbags or other erosion control measures to prevent silt run-off to public roadways from sites with a slope greater than one percent;*

- *Install wheel washers for all exiting trucks, or wash off all trucks and equipment leaving the THSP Project Area; and*

- *Fugitive dust emanating from the Project site shall not exceed 20 percent opacity, per SJVAPCD Regulation VIII.*

- *Applicant shall consult with the County Public Health Services Department or California Department of Public Health to develop a Valley Fever Dust Management Plan that addresses Valley Fever exposure. The Plan shall be provided to the City and shall include a program to evaluate the potential for exposure to Valley Fever from construction activities and to identify appropriate dust management and safety procedures that shall be implemented, as needed, to minimize personnel and public exposure to potential Valley Fever- containing dust. [This is Mitigation Measure 4.3-1a in the THSP SEIR]*

Mitigation Measure AQ 4.3-1b: *The following measures shall be implemented during construction to reduce NO_X related emissions. They shall be included in the Grading Plan, Building Plans, and contract specifications. Contract specification language shall be reviewed by the City prior to issuance of a grading permit.*

- *Use of construction equipment rated by the United States Environmental Protection Agency (EPA) as having Tier 3 or higher exhaust emission limits for equipment over 50 horsepower that are onsite for more than 5 days, if available and feasible. Tier 3 engines between 50 and 750 horsepower are available for 2006 to 2008 model years. After January 1, 2015, encourage the use of equipment over 50 horsepower that are on-site for more than 5 days to meet the Tier 4 standards, if available and feasible. A list of construction equipment by type and model year shall be maintained by the construction contractor onsite, which shall be available for City review upon request.*

- *Use of alternative-fueled or catalyst-equipped diesel construction equipment, if available and feasible; and*

- *Clearly posted signs that require operators of trucks and construction equipment to minimize idling time (e.g., 5-minute maximum).*

- *Properly and routinely maintain all construction equipment, as recommended by manufacturer's manuals, to control exhaust emissions.*

- *Use electric equipment for construction whenever possible in lieu of fossil fuel-fired equipment. [This is Mitigation Measure 4.3-1b in the THSP SEIR]*

Mitigation Measure AQ 4.3-1c: *Prior to the issuance of any grading permit, the City shall confirm that the Project complies with the SJVAPCD Rule 9510, Indirect Source (ISR). If feasible measures*

are not available to meet the emissions reductions targets outlined in Rule 9510, then Project applicants shall pay an in-lieu mitigation fee to the SJVAPCD to offset the Project's emissions-related impacts, or coordinate with the SJVAPCD to implement a Voluntary Emission Reduction Agreement (VERA). If in-lieu fees are required, Project applicants shall coordinate with the SJVAPCD to calculate the amount of the fees required to offset the Project's impacts. The applicant shall document, to the City's reasonable satisfaction, its compliance with this mitigation measure. [This is Mitigation Measure 4.3-1c in the THSP SEIR]

Mitigation Measure AQ 4.3-2: *Prior to issuance of building permits, each applicant for individual site specific developments under the THSP shall demonstrate compliance with SJVAPCD Rule 9510, Indirect Source Review (ISR) or implementation of a Voluntary Emission Reduction Agreement (VERA). Project applicants shall coordinate with the SJVAPCD to ensure that the Project meets the requirements of SJVAPCD Rule 9510 or implements a VERA. If feasible reduction measures are not available to meet the emissions reductions targets as established by the SJVAPCD, then Project Applicants shall pay an in-lieu mitigation fee to the SJVAPCD to offset the Project's emissions-related impacts. If in-lieu fees are required, Project Applicants shall coordinate with the SJVAPCD to calculate the amount of the fees required to offset the Project's impacts. [This is Mitigation Measure 4.3-2 in the THSP SEIR]*

Mitigation Measure AQ 4.3-4b: *New sensitive land uses including residential, hospital, medical offices, and day care facilities shall not be located closer than 1,000 feet from any existing or proposed distribution center/warehouse facility which generates a minimum of 100 truck trips per day, or 40 truck trips with transport refrigeration units (TRUs) per day, or TRU operations exceeding 300 hours per week, pursuant to the recommendations set forth in the CARB Air Quality and Land Use Handbook. If new sensitive land uses cannot meet this setback, they shall be designed and conditioned to include mechanical ventilation systems with fresh air filtration. For operable windows or other sources of ambient air filtration, installation of a central heating, ventilation, and air conditioning (HVAC) system that includes high efficiency filters for particulates (Minimum Efficiency Reporting Value [MERV] 13 or higher) or other similarly effective systems shall be required. [This is Mitigation Measure 4.3-4b in the THSP SEIR]*

Therefore, buildout of the THSP Area would be inconsistent with the SJVAPCD's air quality plans and impacts were considered significant and unavoidable within the THSP SEIR. Mitigation Measures AQ 4.3-1a through 4.3-1c, 4.3-2 and 4.3-4b from the certified THSP SEIR are applicable to the proposed Project and would be expected to reduce the severity of the significant and unavoidable impact. However, even with mitigation incorporated, impacts would remain significant and unavoidable.

The boundaries of the proposed Project site would not extend beyond those analyzed in the THSP SEIR. Project implementation would result in an increase of development intensity with a net increase of 66 dwelling units, as compared to the previously approved THSP. Although the proposed Project would change land use density limitations and increase development intensity, the additional 66 dwelling units would be consistent with analysis in the THSP SEIR.

The net increase of medium density residential units would result in a proportional increase in vehicle trips. According to the *Traffic Study for Phase 1A Village 7C* (July 2020) the Project would result in a net increase of 36 vehicle trips in the a.m. peak hour and a net increase of 70 vehicle trips in the p.m. peak hour, compared to what was previously analyzed in the THSP SEIR. While the proposed Project would increase development density within the Project area, associated impacts with regards to peak hour vehicle trips would represent a minor portion of total THSP vehicle trips. Therefore, the impact relative to an applicable air quality plan would be similar to what was identified in the THSP SEIR and no new impact or a substantial increase in the severity of a previously identified impact would occur.

Threshold (b) Would the project violate any air quality standard or contribute substantially to an existing or projected air quality violation?

Construction

Construction emissions for buildout of the THSP were estimated in the previously certified THSP SEIR using the California Emissions Estimator Model (CalEEMod). Based on the THSP SEIR, buildout of the THSP would result in construction emissions that would exceed SJVAPCD's 10 tons per year threshold for reactive organic gases (ROG) and nitrogen oxides (NO_x). The THSP found during construction emissions would be significant and unavoidable after implementation of Mitigation Measures AQ 4.3-1a through 4.3-1c, in the THSP SEIR.

Construction impacts from the proposed Project would be considered significant and unavoidable. The additional 66 dwelling units would be consistent with analysis in the THSP SEIR and the conversion of undeveloped land to urbanized development would remain the same. While Project implementation would nominally increase the amount of impervious surfaces throughout the Project site due to an increase in development density, the construction equipment used and phasing for the proposed Project would be roughly similar to the THSP SEIR. The proposed Project's impact relative to construction air emissions would be similar to those identified in the THSP SEIR. No new impact or a substantial increase in the severity of a previously identified impact would occur. Mitigation from the certified THSP SEIR is applicable to the proposed Project that would reduce the severity of the significant and unavoidable impact. However, even with mitigation incorporated, impacts would remain significant and unavoidable but would not be greater than the impact analyzed in THSP EIR.

Operations

Long-term operational emissions would be generated from the day-to-day operations of the buildout of the THSP. Operational emissions for land use development projects are typically distinguished as mobile, energy, and area sources of emissions. Operational emissions for buildout of the THSP were estimated using CalEEMod and analyzed in the THSP SEIR. According to the THSP SEIR, buildout of the THSP Area would result in operational emission in exceedance of SJVAPCD thresholds for ROG, NO_X, carbon monoxide (CO), and particulate matter with a diameter smaller than 10 microns (PM_{10}) and smaller than 2.5 microns ($PM_{2.5}$). The *Tracy Hills Phase 1A Village 7C Traffic Study* (July, 2020) found that the proposed Project would result in a net increase of 36 a.m. peak hour trips and net increase of 70 p.m. peak hour trips compared to the THSP. As discussed in Threshold (a) the Project proposes land uses that are more intense than those analyzed in the THSP and would generate proportionally more operational emissions.

The proposed Project would comply with Mitigation Measure 4.3-2 (in the THSP SEIR) that would reduce the severity of this impact to the maximum extent feasible. However, impacts would remain significant and unavoidable. Additional environmental review is not required since this impact was addressed and is consistent with the effects of implementation of the THSP.

Threshold (c) Would the project 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)?

The proposed Project is located within a region classified as nonattainment for ozone, PM_{10}, and $PM_{2.5}$. Buildout of the Specific Plan Area would generate emissions of ROG, PM_{10}, and NO_X during construction and operation that would be above the SJVACPD's regional thresholds of significance. According to the findings in the THSP SEIR, the impact relative to ROG, CO, $PM_{2.5}$, PM_{10} and NO_x is considered potentially significant. This was identified as a significant and unavoidable impact within the THSP SEIR.

Similar to the THSP, the proposed Project would contribute to these overall emissions. However, the proposed Project would allow for development of additional dwelling units, as compared to the THSP SEIR. Therefore, as discussed in Threshold (a) and (b) above construction and operational air quality impacts would be proportionally greater as comparted to the THSP SEIR. Mitigation Measures AQ 4.3-1a through 4.3-1c, 4.3-2 and 4.3-4b from the THSP SEIR would be applicable to the proposed Project and would reduce the severity of the impact. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (d) Would the project expose sensitive receptors to substantial pollutant concentrations?

The *CEQA Guidelines* indicate that a potentially significant impact could occur if the proposed Project would expose sensitive receptors to substantial pollutant concentrations. Exposure of toxic air contaminants was assessed in the previously certified THSP SEIR by evaluating diesel particulate matter (DPM) emissions on nearby sensitive receptors. A Health Risk Assessment (HRA) and addendum were prepared for the previously certified THSP SEIR. The HRA addressed the potential contribution of public exposure to DPM by locating sensitive receptors within 500 feet of I-580 (a generator of toxic air contaminants). The HRA determined that proposed Project operations would not exceed the 10 cases per million that is considered significant by the SJVAPCD and CARB. The proposed Project site is located 1,100 feet from I-580 and outside of CARB's 500-foot buffer. Therefore, the Project would not increase risk hazards from freeway exposure. Under the same combined scenario, cancer risk at sensitive receptors adjacent to the THSP Area would have risk up to 4.61 new cases per million persons (in nine-year exposure) and would not exceed the SJVAPCD significance threshold. The HRA determined that the 30- and 70-year exposure periods would exceed SJVAPCD significance thresholds for cancer risk. However, with project design features including Minimum Efficiency Reporting Value (MERV) 13 (or equivalent air filtration system), all three exposure periods would not exceed the significance threshold.

Impacts associated with the Specific Plan related to criteria pollutant emissions during construction were identified as significant and unavoidable within the THSP SEIR. The proposed Project would result in a net

increase of medium density residential units and a net decrease in low density residential, as compared to the THSP. Although the proposed Project would change land use density limitations and increase development intensity in the Project area, the conversion of undeveloped land to urbanized development would remain consistent with the THSP SEIR. The Project proposes land uses that are nominally more intense than those analyzed in the THSP SEIR and the impact relative to exposure of toxic air contaminants would be similar to that identified in the THSP SEIR. Consistent with the THSP SEIR, with mitigation incorporated (Mitigation Measure AQ 4.3-4b), the resulting impact from the proposed Project would be less than significant. No new impact or a substantial increase in the severity of a previously identified impact in the certified THSP SEIR would occur as a result of the proposed Project.

The primary mobile-source pollutant of localized concern is carbon monoxide (CO). Localized CO concentrations near roadway intersections are a function of traffic volumes, speed, and delay. Under specific metrological conditions, CO concentrations near roadways and/or intersections may reach unhealthy levels with respect to sensitive receptors, often referred to as a "CO hotspot". CO hotspots are high, localized CO concentrations and are generally caused by congested intersections with a large volume of traffic.

CO hot spot modeling was performed for the THSP SEIR. As shown in Table 4.3-10 in the THSP SEIR, the nine highest volume intersections in the Specific Plan Area under full buildout would be well below the established standard for CO. As discussed above, the proposed land uses would result in a minor increase in operational intensity (including increased development density and additional peak hour vehicle trips) compared to those analyzed in the THSP SEIR. However, this increase would represent a minor change to impacts analyzed in the THSP SEIR. Therefore, the impact of the proposed Project related to ambient air quality CO concentrations would be less than significant. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP and no further analysis is required.

Threshold (e) Would the project create objectionable odors affecting a substantial number of people?

The THSP SEIR found impacts associated with odors to be considered less than significant. SJVAPCD has identified a list of common types of facilities that have been known to produce odors in the Basin along with a reasonable distance from the source within which, the degree of odors could be significant. These land uses include the following: wastewater treatment facilities, sanitary landfills, transfer stations, composting facilities, petroleum refinery, asphalt batch plant, chemical manufacturing, fiberglass manufacturing, painting/coating operations, food processing facilities, feed lot/dairies and rendering plants. The proposed Project does not propose to include any odor inducing uses on the site. The proposed Project would not be a source of objectionable odors; therefore, no impact would occur. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP and no further analysis is required.

Cumulative Impacts

A project that has a significant impact on air quality with regard to emissions of PM_{10}, $PM_{2.5}$, NO_X and/or ROGs as determined above would have a significant cumulative effect. In the event direct impacts from a project are less than significant, a project may still have a cumulatively considerable impact on air quality if the emissions from the project, in combination with the emissions from other proposed, or reasonably foreseeable future projects are in excess of screening levels identified above, and the project's contribution accounts for more than an insignificant proportion of the cumulative total emissions. With regard to past and present projects, the background ambient air quality, as measured at the monitoring stations maintained and operated by the SJVAPCD, reflects the concentrations of pollutants from existing sources. Past and present project impacts are therefore included in the background ambient air quality data.

The proposed Project would contribute to cumulative impacts from construction and operational emissions since regional thresholds are exceeded for buildout of the THSP Area. The THSP SEIR found full buildout of the Project would exceed SJVAPCD threshold for ROG, NO_x, CO, PM_{10}, and $PM_{2.5}$. The proposed Project would not contribute to cumulative health risk effects since background excess cancer risks are below the threshold of 10 in a million. Cumulative impacts to health risks were identified in the previously certified THSP SEIR.

As discussed above, the proposed Project would not cause a new air quality impact to occur, nor an increase in the severity of an air quality impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. The proposed Project would slightly increase development intensity as compared to the THSP, however, Mitigation Measures AQ 4.3-1a through 4.3-1c, 4.3-2 and 4.3-4b from the certified THSP SEIR are applicable to the proposed Project and would be expected to reduce the severity of the significant and unavoidable impact, although not to a less than significant level. Therefore, air quality impacts would not be greater than those previously analyzed. The proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

IV. BIOLOGICAL RESOURCES

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the project 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?

Special Status Species (Plant species, Animal Species, Nesting Birds)

Plants

As determined in the THSP SEIR, no suitable habitat was found in the THSP Area that would support any candidate, sensitive, or special status plant species. Therefore, implementation of the THSP would result in a less than significant impact on sensitive plant species. Nonetheless, implementation of Mitigation Measure BIO 4.4-1b in the THSP SEIR was recommended to ensure impacts related to special status plant species remain less than significant.

Wildlife Species

As determined in the THSP SEIR, no federally or state listed species have ever been documented in the THSP Area or areas adjacent to the THSP Area, including a 3,500 acre preserve. The California Red Legged Frog (CRLF) was documented off of the THSP in the Corral Hollow Creek area, which is located in the adjacent 3,500-acre preserve area and has been designated as critical habitat for the CRLF by the USFWS. The THSP SEIR determined that all areas of the THSP that could potentially support the CRLF are outside the THSP's development footprint. The THSP SEIR also determined that the THSP could potentially support Burrowing Owl, Swainson's Hawk, Northern Harrier, Loggerhead Shrike, American Badger, San Joaquin Whipsnake, Prairie falcon, and Coast Horned Lizard. However, even though some of these species have been spotted on the THSP Area in a limited quantity, the lack of quality habitat on the THSP Area for these species was found to be less than significant. No other listed, sensitive or special status wildlife species are known to occur on the THSP, and no suitable habitat was found on the THSP to support other listed, sensitive or special status wildlife species. To ensure that the THSP's impacts on wildlife species remain less than significant, mitigation measures (Mitigation Measures BIO 4.4-1a, 4.4-1e, 4.4-1h, 4.4-1i, 4.4-1j, 4.4-1k, 4.4-1l, and 4.4-lo) in the THSP SEIR and avoidance measures were implemented.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure BIO 4.4-1a:*** *Construction operations will be overseen by an appropriately credentialed biologist (biological monitor), and the Project will implement a worker environmental awareness training program to reduce the Project's potential adverse effects to special status species. This measure is specific to Areas A, B and C of the Project. [This is Mitigation Measure 4.4-1a in the THSP SEIR]*

***Mitigation Measure BIO 4.4-1b**: Prior to commencement of ground disturbing activities in any areas of potentially suitable habitat to support special status plant species, pre-activity clearance surveys shall be initiated by a qualified botanist. This measure is specific to Area A, B and C.*

- *Surveys shall be floristic in nature and timed during appropriate blooming periods.*
- *Surveys shall target those locales within the Project Site of direct and indirect effects. The results of these surveys shall be submitted to CDFW and USFWS for review.*
- *In the event special-status plant species are detected within portions of the Project Site proposed for development, individual plant(s) or populations shall plant be avoided whenever possible by delineation and observing a no disturbance buffer of at least 50 feet from the outer edge of the plant population(s) or specific habitat type(s) required by special-status plant species.*
- *If buffers cannot be maintained, then consultation with CDFW and USFWS is warranted to determine appropriate minimization measures for impacts to special-status plant species. [This is Mitigation Measure 4.4-1b in the THSP SEIR]*

***Mitigation Measure BIO 4.4-1c:** Prior to commencement of ground disturbing activities in any areas of potentially suitable habitat to support San Joaquin Kit Fox, no less than sixty (60) days prior to any ground disturbing activities or grading, pre-construction clearance surveys shall be initialed by a qualified biologist to reinforce negative findings (the continued absence of SJKF) on the Project Site with substantial evidence. A second SJKF survey shall be conducted no more than thirty (30) days prior to the onset of construction or ground disturbing activities. If SJKF are detected within portions of the Project Site proposed for development, the developer shall immediately contact the USFWS telephonically and in writing, and following consultation with the USFWS, avoidance and minimization measures specific to SJKF will be incorporated into the Project as described in the USFWS "Standard Recommendations for Protection of the San Joaquin Kit Fox Prior to or During Ground Disturbing Activities (1999)" and the USFWS "San Joaquin Kit Fox Habitat Evaluation Forms (2001)" to reduce impacts to this species to a less than significant level. These SJKF avoidance and minimization measures shall include the following:*

1. *No later than forty five (45) days prior to any ground disturbing activities or grading, the developer shall contact a qualified biologist holding proper permits and provide approval to that biologist to relocate known SJKF located on site to the 3,500 acre open space preserve or another relocation preserve approved by the USFWS or covered by the SJMSCP.*
2. *No later than fourteen (14) days prior to any ground disturbing activities or grading, all known dens shall be monitored for at least three (3) consecutive days to ensure that SJKF dens, to the extent they exist on the Project Site, are unoccupied prior to den excavation.*
3. *The relocation of SJKF would require an ITP per Section 2081 of the Fish and Game Code. If SJKF individuals or dens are discovered, all work within Area C in the vicinity of the discovery shall halt*

and not continue until CDFW has been consulted and appropriate authorization obtained. [This is Mitigation Measure 4.4-1c in the THSP SEIR]

Mitigation Measure BIO 4.4-1d: *During construction, temporary disturbances and Project-related vehicle traffic will be restricted to established roads, construction areas, and other designated lands. Also, during construction:*

1. *Project-related construction vehicles will observe a daytime speed limit of 20-mph, except on County roads and State and Federal highways.*

2. *Night-time construction will be minimized to the greatest extent feasible. However, if it does occur, then the speed limit will be reduced to 10-mph.*

3. *Project-related, non-ranch operations off-road traffic outside of designated Project areas that are undergoing construction will be prohibited.*

4. *To prevent inadvertent entrapment of small mammals, including SJKF, during construction, excavated, steep-walled holes or trenches more than 2-feet deep will be covered at the close of each working day by plywood or similar materials. Each excavation shall contain at least one ramp, with long trenches at least one ramp shall be placed every .25 mile. Slope of ramps shall be now steeper than 1:1. If the trenches cannot be closed, one or more escape ramps constructed of earthen-fill or wooden planks will be installed. Before such holes or trenches are filled, they will be thoroughly inspected for trapped wildlife. If at any time a trapped or injured SJKF is discovered, the USFWS and the CDFW will be contacted immediately to attempt to relocate and/or collar the SJKF. Escape ramps shall also be installed immediately to allow trapped animals to escape.*

5. *Construction pipes, culverts, or similar structures with a diameter of 4-inches or greater that are stored within Project limits for one or more overnight periods will be thoroughly inspected for any SJKF before the pipe is subsequently buried, capped, or otherwise used or moved. If a kit fox is discovered inside a pipe, that section of pipe should not be moved until the USFWS and CDFW has been consulted. If necessary, and under the direct supervision of a biologist, the pipe may be moved only once to remove it from the path of construction activity, until the fox has escaped.*

6. *All food, garbage in plastic shall be disposed of in closed containers and regularly removed from the site to minimize attracting SJKF and other sensitive species to the site.*

7. *Use of rodenticides and herbicides within Project limits will be restricted. Uses of such compounds will observe label and other restrictions mandated by the U.S. Environmental Protection Agency, California Department of Food and Agriculture, and other State and Federal legislation, as well as additional project-related restrictions deemed necessary by the USFWS and CDFW. If rodent control must be conducted, zinc phosphide or an equivalent material will be used because of a lower adverse health risk to kit fox.*

8. *No dogs, cats or other animals shall be permitted on the Project Site.*

9. *Developer shall provide a sensitive species identification and avoidance education program for all construction employees that consists of a consultation in which persons knowledgeable in kit fox biology and legislative protection to explain endangered species protocols, habitat needs and the measures and conditions of approval being taken to reduce impacts to the species during project construction and implementation. A fact sheet conveying this information shall be prepared for distribution to all contractors, their employees, and any and all other personnel who are working on the construction site. [This is Mitigation Measure 4.4-1d in the THSP SEIR]*

Mitigation Measure BIO 4.4-1e: *Prior to commencement of ground disturbing activities in all areas of potentially suitable habitat to support Swainson's hawk, pre-activity clearance surveys shall be initialed by a qualified biologist to reinforce positive or negative findings with substantial evidence. If Swainson's hawk is detected within portions of the Project Site proposed for development, then avoidance and minimization measures specific to Swainson's hawk will be incorporated into the Project as described in the CDFW "Staff Report on Mitigation for Impacts to Swainson's Hawk (2012)" to reduce impacts to Swainson's hawk to less-than significant. This measure is applicable to Areas A, B and C of the Project.*

1. *If an active nest site is found, the Project will allow sufficient foraging and fledging area to maintain the nest.*

2. *The Project will not remove historic or known Swainson's hawk nest trees unless avoidance measures are determined to be infeasible. Removal of such trees should occur only during the timeframe of October 1 and the last day in February. [This is Mitigation Measure 4.4-1e in the THSP SEIR]*

Mitigation Measure BIO 4.4-1f: *Prior to commencement of ground disturbing activities in all areas of potentially suitable habitat to support California Tiger Salamander (CTS), pre-activity clearance surveys shall be initialed by a qualified biologist in accordance with published guidelines and protocols. Survey methods shall be derived from published protocols, and to reinforce positive or negative findings with substantial evidence. If CTS individuals or eggs are discovered, all work within the vicinity of the discovery shall halt and not continue until CDFW has been consulted and appropriate authorization obtained. This measure is specific to Areas A, B and C of the Project.*

1. *Temporary construction disturbances to CTS habitat will be minimized to the extent practicable. All Project-related vehicle traffic will be restricted to established roads, and construction areas.*

2. *A qualified biologist will be on site during all activities that may result in the take of CTS. The biologist will be given the authority to stop any work that may result in the take of this listed species.*

3. *The biologist will be responsible for ensuring that the exclusion fence installed around occupied CTS habitat inspected before the start of each day and remains intact until project construction is complete.*

4. *Plastic monofilament netting (erosion control matting) or similar material will not be used for erosion control or other purposes around occupied CTS habitat because CTS may become entangled or trapped in it. Acceptable substitutes include coconut coir matting or tackified hydroseeding.*

5. *The project proponent or its contractor will implement BMPs to prevent sediment from entering suitable CTS habitat through the use of silt fencing and sterile hay bales.*

6. *A worker training program that includes the CTS will be conducted for construction personnel before groundbreaking at individual redevelopment project sites.*

7. *A speed limit of 20 (mph) will be observed within construction areas, particularly on rainy nights when CTS are most likely to be moving between their breeding ponds and upland habitat. To the extent possible, nighttime construction will be minimized. Off-road traffic outside designated construction areas will be prohibited.*

8. *To prevent entrapment of CTS during construction, any trenches, holes, or other excavations into which CTS could fall and become trapped will be covered. The opening will be completely covered at the end of each workday. [This is Mitigation Measure 4.4-1f in the THSP SEIR]*

Mitigation Measure BIO 4.4-1g: *Prior to commencement of ground disturbing activities in all areas of potentially suitable habitat to support California red-legged frog (CRLF), pre-activity clearance surveys shall be initialed by a qualified biologist to reinforce positive or negative findings with substantial evidence. This measure is specific to Areas B and C of the Project.*

1. *Survey will occur during the wet season (generally October 15 to April 15), no more than 48 hours before new ground disturbance.*

2. *A worker training program that includes the CRLF will be conducted for construction personnel before groundbreaking at individual redevelopment project sites.*

3. *If a CRLF is found, the construction supervisor shall halt work immediately within a buffer area of 50 feet of any discovered CRLF. The construction supervisor will also contact the project biologist and will suspend all construction activities in the immediate construction zone (50-foot radius) until the animal leaves the site voluntarily or is removed by the biologist to a release site using USFWS-approved transportation techniques.*

4. *To prevent entrapment of CRLF during construction, any trenches, holes, or other excavations into which CRLF could fall and become trapped will be covered. The opening will be completely covered at the end of each workday. [This is Mitigation Measure 4.4-1g in the THSP SEIR]*

Mitigation Measure BIO 4.4-1h: *All applicants who conduct Projects within Areas A and B of the Project Site shall adhere to the terms of the SJMSCP. Participation in the SJMSCP includes compliance with all incidental take measures as required in the SJMSCP, including but not limited to preconstruction surveys to determine presence for special status flora and fauna.*

Notwithstanding this biological resource section's less than significant impact conclusions, if required by applicable law, projects being implemented within Area C shall voluntarily secure Section 7 and/or Section 10 permits in consultation with the appropriate wildlife agencies. [This is Mitigation Measure 4.4-1h in the THSP SEIR]

Mitigation Measure BIO 4.4-1i: *Pre-construction surveys shall include a survey for burrowing owl and raptor nests, which will be conducted prior to grading. Pre-construction surveys for burrowing owl will be conducted weekly, beginning no later than thirty (30) days and ending no earlier than three (3) days prior to the commencement of disturbance. If burrowing owls are found during the pre-construction survey, then replacement burrows and habitat shall be provided prior to the commencement of construction within the 3,500 acre preserve area. The Project applicant shall provide artificial replacement burrows in the event that owls are detected, either as wintering or breeding within Project boundaries.*

Construction activities associated with project features that occur within portions of the Project Site containing occupied or suitable habitat for the burrowing owl and raptor nests shall be restricted to periods outside the breeding season for this species. The breeding season for burrowing owl runs from February 15 through August 31.

If construction or operation activities occur during the breeding season for burrowing owls, surveys are required prior to such construction to determine the presence or absence of this species within the impact area. Focused surveys shall be conducted under CDFW and Burrowing Owl Consortium protocol by a qualified biologist from February 15 to August 31. If this species is determined to occupy any portion of the Project Site, consultation with the CDFW and USFWS is required and no construction activity shall take place within 500 feet of an active nest/burrow until it has been determined that the nest/burrow is no longer active, and all juveniles have fledged the nest/burrow. No disturbance to active burrows shall occur without appropriate permitting through the SJMSCP or CDFW.

If active burrows are detected outside the breeding season, passive and/or active relocation may be approved following consultation with the CDFW and USFWS. The installation of one-way doors may be installed as part of a passive relocation program. Wintering individuals may be evicted with the use of exclusion devices followed by a period of seven days to ensure that animals have left their burrows. Burrowing owl burrows shall be excavated with hand tools by a qualified biologist when determined to be unoccupied, and backfilled to ensure that animals do not reenter. [This is Mitigation Measure 4.4-1i in the THSP SEIR]

Mitigation Measure BIO 4.4-1j: *To avoid the potential for disturbance of nesting birds on or near the Project Site, schedule the initiation of any vegetation removal and grading for the period of September 1 through February 15. If construction work cannot be scheduled during this period, a qualified biologist shall conduct pre-construction surveys for nesting birds according to the following guidelines:*

1. *The preconstruction surveys shall be conducted by the qualified biologist no later than 14 days prior to the start of vegetation removal or initiating project grading.*

2. *If birds protected under the Migratory Bird Treaty Act are found nesting, then appropriate construction buffers shall be established to avoid disturbance of the nests until such time that the young have fledged. The size of the nest buffer shall be determined by the biologist in consultation with CDFW, and shall be based on the nesting species, its sensitivity to disturbance, and expected types of disturbance. Typically, these buffers range from 75 to 250 feet from the nest location.*

3. *Nesting activities shall be monitored periodically by a qualified biologist to determine when construction activities in the buffer area can resume.*

4. *Once the qualified biologist has determined that young birds have successfully fledged, a monitoring report shall be prepared and submitted to the City of Tracy Development Services for review and approval prior to initiating construction activities within the buffer area. The monitoring report shall summarize the results of the nest monitoring, describe construction restrictions currently in place, and confirm that construction activities can proceed within the buffer area without jeopardizing the survival of the young birds. Construction within the designated buffer area shall not proceed until the written authorization is received by the applicant from the Development Services Director. The above provisions are in addition to the preconstruction surveys to confirm presence or absence of nesting Swainson's hawk, burrowing owl, and other special-status species as required under the Incidental Take Minimization Measures of the SJMSCP. [This is Mitigation Measure 4.4-1j in the THSP SEIR]*

   Mitigation Measure BIO 4.4-1k: *In order to comply with Section 10 of the Migratory Bird Treaty Act and relevant sections of the California Fish and Game Code, any vegetation clearing within the Project Site shall take place outside of the typical avian nesting season (e.g., February 1st until September 1st) to the maximum extent practical. If work needs to take place between February 1st and September 1st, a pre-construction survey for nesting birds should be completed prior to the onset of Project activities. If a lapse in Project activity occurs for 7 days or more during the bird nesting season than initial avian clearance surveys shall be repeated. A buffer zone from occupied nests should be maintained during physical ground disturbing activities. Once nesting has ended, the buffer may be removed. [This is Mitigation Measure 4.4-1k in the THSP SEIR]*

   Mitigation Measure BIO 4.4-1l: *Prior to construction, the Project applicant will stake, flag, fence or otherwise conspicuously delineate all environmentally sensitive areas that are to be protected in place and remain undisturbed during construction. Environmentally sensitive areas would include wetlands, riparian habitat, aquatic habitat, raptor nesting locations, etc. The construction materials used to delineate environmentally sensitive areas would be removed no later than 30 days following physical completion of construction. [This is Mitigation Measure 4.4-1l in the THSP SEIR]*

Mitigation Measure BIO 4.4-1m: *The discovery of any previously unidentified protected species that are not covered by the SJMSCP, including those protected under the MBTA and the Fish and Game Code, shall be avoided and evaluated by a qualified biologist during surveys. The USFWS and CDFG shall be notified of the presence of any previously unreported protected species. Any unanticipated take of protected wildlife shall be reported immediately to the USFWS and CDFG. [This is Mitigation Measure 4.4-1m in the THSP SEIR]*

Mitigation Measure BIO 4.4-1n: *Prior to commencement of ground disturbing activities in areas of potentially suitable habitat to support Western spadefoot toad, pre-activity clearance surveys shall be initialed by a qualified biologist to reinforce positive or negative findings with substantial* evidence.

1. *For work conducted within suitable habitat and during the western spadefoot toad migration and breeding season (November 1 to May 31), a qualified biologist will survey the active work areas (including access roads) in mornings following measurable precipitation events. Construction may commence once the biologist has confirmed that no spadefoot toads are in the work area.*

2. *If western spadefoot toad is found within the construction footprint, it will be allowed to move out of harm's way of its own volition or a qualified biologist will relocate the organism to the nearest burrow that is outside of the construction impact area. [This is Mitigation Measure 4.4-1n in the THSP SEIR]*

Mitigation Measure BIO 4.4-1o: *Prior to commencement of ground disturbing activities in areas of potentially suitable habitat to support American Badger, pre-activity clearance surveys shall be initialed by a qualified biologist to reinforce positive or negative findings with substantial evidence. If American badger is located within the Project Site, potential loss of individual animals must be mitigated through one of the following: (1) an on-site passive relocation program, through which badgers are excluded from occupied burrows by installation of a one-way door in burrow entrances, monitoring of the burrow for one week to confirm badger usage has been discontinued, and hand excavation and collapse of the burrow to prevent reoccupation; or (2) active trapping and relocation of badgers to suitable off-site habitat by a qualified biologist. [This is Mitigation Measure 4.4-1o in the THSP SEIR]*

Mitigation Measure BIO 4.4-1p*: The Project applicant shall execute a management and funding agreement for the managing and monitoring of one hundred percent of the approximately 3,500 acre open space preserve subject to the three conversation easements discussed in this Section, which shall occur before the commencement of any ground disturbing activities in Area C. (Note Areas A and B are already subject to a management and funding agreement and therefore this Measure applies to Area C.) [This is Mitigation Measure 4.4-1p in the THSP SEIR]*

Project implementation would result in the conversion of undeveloped land to urban uses, eliminating potential suitable habitat for numerous special status animal species. However, the Project would not result in an increase of conversion of undeveloped land, because the Project site was already considered for development in the THSP. Similar to the approved THSP, the proposed Project would have the

potential to create a substantial adverse effect on special-status species because the proposed Project would be located within the same footprint of the THSP Area. With implementation of the above mitigation measures, the proposed Project's impact on special-status species would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (b) Would the project 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?

As determined in the THSP SEIR, no riparian habitat was observed within the THSP Area. The only potential riparian habitat near the THSP Area is the Corral Hollow Creek area. All proposed development within the THSP would be contained with the THSP boundaries and the THSP SEIR found that it would not impact the Corral Hollow Creek area.

There is no riparian habitat within the Project site. Thus, the proposed Project would not have an adverse effect on any riparian habitat or other sensitive natural community than what was previously analyzed in the THSP SEIR. This is consistent with the impact conclusions of the THSP SEIR. This would not be a new specific impact, or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (c) Would the project 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?

As identified in the previously certified THSP SEIR, the THSP Area contains 5.01 acres of Regional Water Quality Control Board and California Department of Fish and Wildlife (CDFW) jurisdictional wetlands. No federal waters under the jurisdiction of the United States Army Corp of Engineers (USACE) were identified in the THSP Area. However, these wetlands and waters would continue to be regulated by the RWQCB and CDFW as state jurisdictional waters. As determined in the THSP SEIR, buildout of the THSP would be designed to avoid impacts to these jurisdictional waters.

According to the THSP SEIR, no jurisdictional wetlands are located within the Project site. Therefore, the proposed Project would not affect jurisdictional wetlands. Implementation of the above mitigation measures would reduce the proposed Project's impact on jurisdictional wetlands to a less than significant level. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the impact previously identified be any more severe as a result of the proposed Project. Therefore, the proposed Project would be consistent with the effects of implementation of the THSP.

Threshold (d) Would the project 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?

As determined in the THSP SEIR, the portion of the THSP Area that would be developed is not likely to support any State or Federally- listed flora or fauna and is comprised entirely of non-native vegetation and low-grade habitat for any native wildlife species. As determined in the THSP SEIR, buildout of the THSP would be designed to avoid impacts to the movement of resident or migratory wildlife. Impacts on wildlife movement opportunities were considered less than significant in the previously certified THSP. Terrestrial wildlife movement within the THSP Area are currently limited by the California Aqueduct and Delta-Mendota Canal. Mitigation Measure BIO 4.4-4a in the THSP SEIR would ensure a 100-foot setback from the California Aqueduct be required to allow wildlife movement to persist throughout the THSP Area without any significant barriers or blockades.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure BIO 4.4-4a:*** *A 100-foot setback from the California Aqueduct shall be required to allow wildlife movement to persist throughout the Project Site without any significant barriers or blockades. Prior to development of properties adjacent to I-580 or the south side of the California Aqueduct that do not have a 100-foot wide conservation easement placed adjacent to these facilities, a 100-foot wide conservation easement shall be recorded along the I-580 and the Aqueduct. This measure ensures that known wildlife movement corridors remain intact, and allow for an appropriate number and size of permeable wildlife passages through Project boundaries, ensuring connectively to areas that already are subject to conservation easements, such as the 3,500 acre preserve located adjacent to Area C. [This is Mitigation Measure 4.4-4a in the THSP SEIR]*

Implementation of the proposed Project would result in the conversion of undeveloped land to urban uses, eliminating non-native vegetation and low-grade habitat for any native wildlife species. The proposed Project would not impact or interfere with the incorporation of a 100-foot wide conservation easement along the canal. While the Project site is located adjacent to the canal, and would result in an additional 66 dwelling units, the previously planned conservation easement between the Project site and the canal would remain unchanged. Incorporation of the 100-foot wide conservation easement would be consistent with the requirements of Mitigation Measure BIO4.4-4a to reduce potential impacts with the movement of any native resident or migratory fish or wildlife species. With implementation of the above mitigation measure, the proposed Project's impact on the movement of any native resident or migratory fish or wildlife species would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the impact previously identified be any more severe as a result of the proposed Project. Therefore, the proposed Project would be consistent with the effects of implementation of the THSP.

Threshold (e) Would the project conflict with any local policies or ordinances related to protecting biological resources, such as a tree preservation policy or ordinance?

The THSP SEIR concluded that the THSP adheres to all federal, state, and local regulations regarding sensitive species. As discussed above and in the THSP SEIR, the portion of the THSP Area that would be

developed is not expected to support any federally or State listed species, and pre-construction surveys and other preventative measures required by Mitigation Measures BIO 4.4-1a through 4.4-1o in the THSP SEIR would ensure that in the unlikely event these species are found in the THSP Area, impacts to those species would be avoided. Mitigation Measures BIO 4.4-1a through 4.4-1o would assure that any impacts on California species of special concern that may occur on the Project Site would be less than significant.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

See Mitigation Measures BIO 4.4-1a through 4.4-1o above.

Implementation of the proposed Project would result in urbanized development within the THSP, within the same footprint previously analyzed in THSP SEIR. With implementation of the above mitigation measures, the proposed Project's impact on all federal, state, and local regulations regarding sensitive species would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the impact previously identified be any more severe as a result of the proposed Project.

Threshold (f) Would the project conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?

The proposed Project area is located within the sphere of influence of the San Joaquin Multi-Species Conservation Plan (SJMSCP). As set forth in Mitigation Measure BIO 4.4-1h of the THSP SEIR, applicants for individual development sites would have the option to participate in the SJMSCP to address potential impacts on special-status species associated with the conversion of existing habitat to urban uses. By participating in the SJMSCP, applicants would be required to comply with all relevant conditions of the SJMSCP use agreement, including the Incidental Take Minimization Measures defined in Section 5.2 of the SJMSCP. As a result, no impacts relative to conservation plans would occur as a result of the THSP.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

See Mitigation Measures BIO 4.4-1h, 4.4-1j, 4.4-1m, and 4.4-4a above.

As identified in Figure 4.4-1 of the THSP SEIR, the proposed Project is located within Area B of the San Joaquin Multi Species Conservation Plan (SJMSCP).[4] The proposed Project would still be within the same footprint of the previously analyzed THSP Area and would be within the sphere of influence of the SJMSCP. As such, the proposed Project's potential for impacts would not be different to that of THSP SEIR. With implementation of the above mitigation measures, the proposed Project's impact on the SJMSCP would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would a substantial increase in the impact previously identified be any more

[4] THSP Draft EIR, page 4.4-5

severe as a result of the proposed Project. Therefore, the proposed Project would be consistent with the effects of implementation of the THSP.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new biological impact to occur, nor an increase in the severity of a biological impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

V. CULTURAL RESOURCES

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
a. Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?	☐	☐	☐	☐	☒
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?	☐	☐	☐	☐	☒
c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☐	☐	☒
d. Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Since certification of the THSP SEIR, the topic Tribal Cultural Resources was added to the Appendix G checklist of CEQA thresholds. On September 25, 2014, Governor Brown signed Assembly Bill (AB) 52 into law, which requires tribal cultural resources to be considered during the CEQA process. AB 52 is applicable to projects for which a Notice of Preparation (NOP) is filed on or after July 2015. Because the THSP SEIR filed a NOP in 2014, tribal cultural resources are not required to be analyzed under the Section 15164 standards because it was not analyzed as significant effects in a prior EIR on the zoning action, general plan, or community plan, with which the project is consistent. However, mitigation measures related to potential impacts to historic and archeological resources in the THSP Area are described in this section.

Threshold (a) Would the project cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?

The THSP Area contains one historic resource (P-39-000090 California Aqueduct) that is listed on the National Register or California Register and is considered a historical resource for the purposes of CEQA. While the historic resource crosses through the THSP Area, it was determined in the THSP SEIR that implementation of the THSP would have no direct impacts to the aqueduct. The previously certified THSP SEIR determined a potential indirect impact could occur due to visual effects on the resource, but the THSP SEIR found that the visual effects would not detract from the significance and National Register or California Register eligibility of the resource (P-39-000090 California Aqueduct). The site-specific field assessments of the THSP Area found six previously unrecorded archaeological resources. One of these is a prehistoric isolate and five are historic archaeological resources. Impacts to cultural or historical resources were determined to be less than significant with implementation of Mitigation Measures CUL 4.5-1a and 4.5-1b in the previously certified THSP SEIR.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure CUL 4.5-1b: Construction Personnel Training:*** *Construction supervisory personnel shall be notified of the existence of cultural resources and required to keep personnel and equipment away from these areas. A qualified archeologist (see definition under MM 4.5-1a) shall be notified prior to initiation of construction activities. During construction and operations, personnel and equipment shall be restricted to the project work site. [This is Mitigation Measure 4.5-1b in the THSP SEIR]*

As shown in Figure 2, Project Vicinity Map, the California Aqueduct runs parallel to the northern boundary of the Project site. Given the proximity of the Project site, the proposed Project could have the potential to create visual effects that might indirectly impact the resource. Project implementation would increase development intensity within the Project area from low density residential to medium density residential uses, resulting in an increase of 66 dwelling units. However, the proposed Project would be within the same development footprint analyzed in the THSP SIER and would maintain a similar building massing, including maximum building height. Therefore, Project implementation would not create visual effects that might indirectly impact the resources to a degree any greater than previously analyzed in the THSP SEIR.

Additional historic and archeologically significant resources within the THSP area include a historic site that has been relocated, a portion of the WPRR (now Union Pacific Railroad), Corral Hollow Road, and Historic Homestead. These resources are not located within the 7C Village and with implementation of the above mitigation measures, the proposed Project's impact on a historical resource would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would a substantial increase in the severity of the impact previously identified in the THSP SEIRand would therefore be consistent with the effects of implementation of the THSP.

Threshold (b) Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?

Six previously unrecorded archaeological resources were located within the THSP Area during surveys. Of these six, one historic site was relocated while the other five, including the California Aqueduct, would not be impacted by Project implementation. Notwithstanding, the City of Tracy likely contains undiscovered archaeological resources, especially in undeveloped areas. As such, build-out of the THSP Area has the potential to impact unknown archaeological resources because of its grading and construction activities. However, construction of the THSP would be required to comply with federal and state regulations and the existing Tracy General Plan policies, which would reduce any potential impacts to archaeological resources, if any archaeological resources were discovered during the implementation. The THSP SEIR concluded that implementation of the THSP with mitigation measures would have a less than significant impact on archaeological resources. The procedures and provisions of Mitigation Measure CUL 4.5-2a would ensure that impacts to unanticipated archaeological discoveries are reduced to less than significant levels.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure CUL 4.5-2a: Training and Reporting:*** *Prior to the initiation of disturbing activities associated with the Project area, all construction personnel shall be alerted to the potential for encountering buried or unanticipated cultural and paleontological remains, including prehistoric and/or historical resources. Construction personnel shall be instructed that upon discovery of buried cultural materials, all work within a 30-meter vicinity of the find will be halted immediately, and the lead agency will be notified. Once the find has been identified by a qualified archaeologist, the lead agency shall make the necessary plans for treatment of the find(s) and for the evaluation and mitigation of impacts if the find is found to be an historical resource per State CEQA Guidelines as discussed in Section 4.5.4.2. [This is Mitigation Measure 4.5-2a in the THSP SEIR]*

Similar to the THSP, build-out of the proposed Project has the potential to impact unknown archaeological resources due to grading and construction activities. Future development that may occur under the proposed Project site would be located within the same development footprint analyzed in the THSP SEIR. Given that the proposed Project would be located in the same footprint, and the additional 66 dwelling units allowed by the Project would not require substantially different ground disturbance than the THSP, impacts to unknown archaeological resources during ground disturbance activities would be similar to what was previously analyzed in the THSP SEIR. With implementation of the above mitigation measure, the proposed Project's impact on archaeological resources would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (c) Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?

The records search and field survey conducted for the THSP SEIR did not identify any paleontological resources within or adjacent to the THSP boundaries. However, the surface sediments in most of the THSP Area have a low sensitivity for paleontological resources, but this sensitivity increases with depth (below 3-5 feet).[5] As such, build-out of the THSP Area has the potential to impact unknown archaeological resources because of its grading and construction activities. The THSP SEIR concluded that implementation of the THSP with mitigation measures would have a less than significant impact on paleontological resource. Mitigation Measure CUL 4.5-3a would require paleontological monitoring by a trained paleontologist and would reduce the potential impacts to paleontological resources or resource sites, or unique geological feature from implementation of the Project to a less than significant level.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure CUL 4.5-3a: Paleontological Monitoring:*** *Paleontological spot check monitoring by a trained paleontologist (a trained paleontologist should have a Bachelor of Arts/Bachelor of Science in anthropology or related field with an emphasis in paleontology OR*

[5] THSP Draft EIR, page 4.5-25

adequate training and experience in paleontological field methods, and work under the direct supervision of a qualified paleontologist) of excavations deeper than five feet in depth within the Project area, and spot check monitoring of any excavation in valleys in the eastern portion of the Project area against the hills in several of the washes (all areas of the Oro Loma Formation as mapped on the USGS Geology Map (Dibble 2006)) shall be performed by a trained paleontologist. [This is Mitigation Measure 4.5-3a in the THSP SEIR]

As discussed in the previously certified THSP SEIR, records search and field surveys conducted for the THSP SEIR identified no paleontological resources within or adjacent to the THSP Area. Similar to the THSP, development of the proposed Project has the potential to impact unknown paleontological resources during grading and construction activities because the City of Tracy likely contains undiscovered paleontological resources. Although there is the potential to disturb previously undiscovered paleontological resources, this potential was previously disclosed and mitigated for in the previously certified THSP SEIR. With Implementation of above mitigation measure, the proposed Project would not disturb paleontological resources, any greater than already analyzed in the THSP SEIR. This would not be a new specific impact, nor would it be a substantial increase in the severity of the impact previously identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (d) Would the project disturb any human remains, including those interred outside of formal cemeteries?

As discussed in Threshold (b), no archaeological resources were reported within the THSP Area. However, the City of Tracy likely contains undiscovered archaeological resources, especially in undeveloped areas. As such, build-out of the THSP Area has the potential to disturb any human remains not previously discovered because of its grading and construction activities. However, construction of the THSP would be required to comply with federal and state regulations and the existing Tracy General Plan policies, which would reduce any potential impacts to undiscovered human remains. The THSP SEIR concluded that implementation of the THSP with Mitigation Measure CUL 4.5-2b would have a less than significant impact on human remains. Mitigation Measure CUL 4.5-2b would ensure that impacts to unanticipated human remains are reduced to less than significant levels.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

Mitigation Measure CUL 4.5-2b: Human Remains: *If human remains are encountered during ground disturbing activities, all work within a 30-meter vicinity of the find will be halted immediately, and the City of Tracy and the San Joaquin County Coroner shall be notified. If the remains are determined to be Native American, the Native American Heritage Commission shall be notified within 24 hours as required by Public Resources Code §5097.94 and §5097.98. The Native American Heritage Commission shall notify the designated Most Likely Descendant(s), who will in turn provide recommendations for the treatment of the remains within 48 hours of being granted access to the find. [This is Mitigation Measure 4.5-2b in the THSP SEIR]*

As discussed in the previously certified THSP SEIR, there is a potential for inadvertent discovery of human remains, particularly Native American remains, outside the boundaries of an established cemetery. Build-out of the proposed Project has the potential to impact unknown human remains during grading and construction activities. With implementation of the above mitigation measure, the proposed Project's impact on human remains would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact previously identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new cultural resources impact to occur, nor an increase in the severity of a cultural resources impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

VI. GEOLOGY AND SOILS

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
Would the project:					
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.	☐	☐	☐	☐	☒
ii. Strong seismic ground shaking?	☐	☐	☐	☐	☒
iii. Seismic-related ground failure, including liquefaction?	☐	☐	☐	☐	☒
iv. Landslides?	☐	☐	☐	☐	☒
b. Result in substantial soil erosion or the loss of topsoil?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (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.

ii. Strong seismic ground shaking?

iii. Seismic-related ground failure, including liquefaction?

iv. Landslides?

The previously certified THSP SEIR determined that the THSP Area is not considered susceptible to the risk of loss, injury, or death due to fault rupture and the associated impacts. As discussed in the THSP SEIR, no known active faults cross the THSP Area and the THSP Area is not located within an Alquist-Priolo Earthquake Fault Zone. The nearest mapped active fault (Carmergie/Corral Hollow) is located approximately eight miles southwest of the THSP Area. The THSP SEIR identified that the impact of ground shaking to people or property caused by seismic activity on nearby faults would be increased as a result of site development. The THSP SEIR concluded that implementation of the requirements of the California Building Code (CBC) and the Tracy General Plan would ensure that impacts on humans associated with seismic hazards would be less than significant. See analysis in Section VI (c) below for discussion related to landslides.

Conversion of undeveloped land to urbanized development within the Project site would be the same as considered in the THSP. While the increase in development intensity would incrementally increase the residential population within the Project site, implementation of the requirements of the CBC and the General Plan would ensure Project would not expose persons or structures to seismic hazards and impacts associated with the proposed Project would be less than significant. As such, the impacts on humans associated with seismic hazards would not be any greater than previously analyzed in the THSP SEIR. The proposed Project would not result in a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP and no further analysis is required.

Threshold (b) Result in substantial soil erosion or the loss of topsoil?

The THSP SEIR concluded that implementation of the THSP would have a less than significant impact related to erosion or loss of topsoil. As construction of the THSP occurs, ground surfaces exposed through the removal of vegetation could be susceptible to erosion from wind, water, and air quality. The use of Best Management Practices during construction as required by the Project Stormwater Pollution Prevention Plan would reduce impacts to a less than significant level.

The construction of new buildings and structures as part of the proposed Project would also create new impervious areas, such as walkways, driveways, parking lots, and rooftops. These impervious areas often result in increased stormwater runoff which can exacerbate soil erosion. As discussed in Section IX, Hydrology and Water Quality, development of the proposed Project would nominally increase the amount of impervious surfaces due to an increase in development density. However, the additional 66 dwelling units would be consistent with what was previously analyzed in the THSP SEIR. With implementation of the Best Management Practices during construction as required by the Project Stormwater Pollution Prevention Plan, the proposed Project's impact on soil erosion would be similar to those impacts previously analyzed in the THSP SEIR. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP and no further analysis is required.

Threshold (c) Would the project 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?

Typically, subsidence occurs in areas underlain by soils that are highly compressible, such as soft clays or silts and unconsolidated sand or fill material. Landslide and liquefaction potential for the THSP site is considered low as determined in the THSP SEIR. The THSP SEIR concluded that implementation of the THSP would have a less than significant impact related to landslide, lateral spreading, subsidence, liquefaction and/or collapse.

The proposed Project would have the potential to be located on a geologic unit or soil that would become unstable and potentially result in on- or off-site impacts related to landslide, lateral spreading, subsidence, liquefaction and/or collapse because the proposed Project would be located within the same development footprint analyzed in the THSP SEIR. The proposed Project would be required to comply with Objective SA-1.1, Policy 1 of the City's General Plan which requires that geotechnical engineering studies be undertaken for any development in areas where potentially serious geologic risks exist. With implementation of this policy, impacts would be less than significant, similar to the previously certified THSP SEIR. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP and no further analysis is required.

Threshold (d) Would the project 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?

As discussed in the THSP SEIR, the THSP Area contains soils that are highly expansive and subject to significant volume changes due to moisture fluctuations. The THSP SEIR concluded that, with compliance with California Building Code (CBC) requirements and implementation of Mitigation Measure GEO 4.6-4 and geotechnical recommendations, implementation of the THSP would have a less than significant impact related to expansive soils.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

Mitigation Measure GEO 4.6-4: *During excavation activities and prior to the placement of fill on the site, a certified geotechnical engineer shall be retained by the Project Applicant/future Project Applicants to evaluate subgrade soils for the extent of their expansive potential. 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 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 a grading permit. [This is Mitigation Measure 4.6-4 in the THSP SEIR]*

As the land area covered by the proposed Project is within the same development footprint covered by the adopted THSP, the proposed Project would have the same potential to be located in highly expansive soils. With Implementation of above mitigation measure, the proposed Project's impact as a result of expansive soils would be less than significant. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP and no further analysis is required.

Threshold (e) Would the project 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 waste water?

The topic in respect to the use of septic tanks was not analyzed in the THSP SEIR because no septic tanks were proposed as part of the THSP. Likewise, no septic tanks would be used as part of the proposed Project. For these reasons, this topic is not analyzed further in this analysis.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new geologic impact to occur, nor an increase in the severity of a geologic impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

VII. GREENHOUSE GAS EMISSIONS

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☐	☐	☐	☒
b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?

The THSP SEIR found that GHG emissions generated by the proposed Specific Plan (both construction and operational-related) would exceed the applicable threshold set forth in SJVAPCD's guidance because the proposed Project's GHG emissions cannot feasibly be reduced to a less than significant level despite the incorporation of numerous sustainability measures. The impact was identified as significant and unavoidable. Mitigation Measure GHG 4.7-1 in the THSP SEIR would reduce but would not eliminate the significant impact.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure GHG 4.7-1:*** *The Project shall include, but not be limited to, the following list of design features. These features shall be incorporated into the design of the Project to ensure consistency with adopted statewide plans and programs to the extent feasible. Project applicants shall demonstrate the incorporation of design features of the Project prior to the issuance of building or occupancy permits, as noted below.*
>
> *Transportation*
>
> - *Provide pedestrian connections to the off-site circulation network (building permit triggers).*
> - *For commercial uses, implement a trip reduction program, for which all employees shall be eligible to participate (occupancy permit).*
> - *Provide a ride sharing program, for which all employees shall be eligible to participate (occupancy permit).*
> - *Provide amenities for non-motorized transportation (i.e., secure bicycle storage, changing rooms, and showers) (building permit).*

- *Provide transit shelters for all transit stops within the Project (building permit triggers and coordination with TRACER.).*
- *Include traffic calming measures at Project intersections and on roadways where feasible (tentative map).*
- *Employers shall provide parking cash-out programs for employees (100 percent of employees eligible).*

Energy Efficiency

- *Design buildings to be energy efficient and meet or exceed Title 24 requirements (per Measure E-1 of the City's Sustainability Action Plan (building permit).*
- *Install "cool" roofs and cool pavements, and strategically placed trees as applicable.*
- *Install high efficiency lighting, and energy efficient heating and cooling systems (building permit).*
- *Install high energy efficient appliances (clothes washers, dishwashers, fan, and refrigerators) (occupancy permit).*
- *Install programmable thermostats (building permit).*
- *Design buildings to reduce energy use through solar orientation and take advantage of landscaping and sun screens (building permit).*
- *Reduce unnecessary outdoor lighting (building permit).*

Water Conservation and Efficiency

- *Install water-efficient irrigation systems (building permit).*
- *Landscaping shall consist of drought tolerant native species with water-efficient characteristics (building permit).*
- *Comply with Municipal Code Section 21.20.050, Efficient Landscape Standards (building permit).*
- *Install water-efficient fixtures (e.g., faucets, toilets, showers) (building permit).*
- *Install infrastructure for recycled water per the City's Infrastructure Master Plan (building permits).*

Solid Waste

- *Reuse and recycle construction and demolition waste (including, but not limited to, soil, vegetation, concrete, lumber, metal, and cardboard) (building permit).*
- *Provide interior and exterior storage areas for recyclables and adequate recycling containers located in public areas (occupancy permit). [This is Mitigation Measure 4.7-1 in the THSP SEIR]*

The Project proposes an additional 66 medium density residential units within the Project site. However, the Project would be within the allowed number of dwelling units as a result of the THSP Amendment and would not impact the THSP development footprint. Further, the above mitigation measure from the THSP SEIR is applicable to the proposed Project. While the proposed Project would incrementally increase emissions within the Project site, the severity of the impact would not change as compared to the THSP SEIR. Despite the implementation of the above mitigation measure, the impact would remain significant

and unavoidable. Therefore, the proposed Project would not result in a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (b) Would the project conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

According to the THSP SEIR, full buildout of the project would potentially conflict with or otherwise interfere with achievement of CARB's Scoping Plan, the City's Sustainability Action Plan, the California Attorney General's Office, or the California Air Pollution Control Officer's Association (CAPCOA) applicable measures. However, THSP SEIR Mitigation Measure AQ 4.7-1 would lessen the impact to less than significant.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

See Mitigation Measure GHG 4.7-1 in Threshold (a) above.

The proposed Project would not result in a potentially significant conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of GHGs. As noted in MM GHG 4.7-1, the proposed Project would incorporate design features to ensure consistency with statewide GHG plans, policies, and regulations. No new specific impact would result, nor would the impact previously identified be any more severe as a result of the proposed Project. With implementation of the mitigation from the THSP SEIR, the proposed Project would be consistent with local and regional plans designed to reduce GHG emissions. Therefore, the proposed Project would not conflict or interfere with the achievement of an applicable GHG emissions reduction plan. With implementation of the above mitigation measure, impacts would not be altered any greater than what was previously analyzed and remain less than significant.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new greenhouse gas impact to occur, nor a substantial increase in the severity of a greenhouse gas impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

VIII. HAZARDS AND HAZARDOUS MATERIALS

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	*Reviewed Under Previous Document*
a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

As identified in the THSP SEIR, implementation of the THSP would have a less than significant impact related to the public with respect to hazardous materials with mitigation incorporated. The types of uses and facilities allowed in the THSP Area may generate, store, use, distribute or dispose of hazardous materials such as industrial waste, oils, solvents, paints, diesel fuel, hydraulic fluid and corrosives. With implementation of Mitigation Measure HAZ 4.8-1, development of the THSP would have a less than significant impact. Mitigation Measure HAZ 4.8-1 would require facilities that exceed the threshold specified by Health & Safety Code Section 25532(l) to prepare and implement a Risk Management Plan.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure HAZ 4.8-1:*** *Facilities that store, handle or use regulated substances as defined in the California Health and Safety Code 25532 (g) in excess of threshold quantities shall prepare and implement, as necessary, risk management plans (RMP) for determination of risks to the community. The RMP will be reviewed and approved by the San Joaquin County Environmental Health Department (EHD) through the Certified Unified Program Agencies (CUPA) process. [This is Mitigation Measure 4.8-1 in the THSP SEIR]*

The proposed Project would allow 66 additional dwelling units within the Project site but would not introduce any new land uses that were not considered for the Project site in the THSP. Similar to the THSP, hazardous materials associated with residential land uses would be limited to common household fertilizers, pesticides, paint, solvent, and petroleum products. Because these materials would be used in very limited quantities, they are not considered a significant hazard to the public. With implementation of the above mitigation measure, the proposed Project's impact on creating significant hazards to the public or the environment through the routine transport, use, or disposal of hazardous materials would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (b) Would the project create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the likely release of hazardous materials into the environment?

As identified in the THSP SEIR, implementation of the THSP would have a less than significant impact related to release of hazardous materials into the environment. A review of regulatory databases maintained by County, State, and Federal agencies found no documentation of hazardous materials violations or discharge on the THSP Area. The Phase I and II ESAs completed for the THSP SEIR identified two underground crude oil pipelines (both located within the THSP Area) and adjacent former sanitary landfills and former gasoline service stations that may have the potential to impact the THSP Area. The

THSP SEIR concluded that implementation of Mitigation Measure HAZ 4.8-2a and 4.8-2b would reduce impacts to a less than significant level. Mitigation Measure HAZ 4.8-2a and 4.8-2b would require a qualified Site Characterization specialist to conduct a site characterization at the Project regarding the active pipelines prior to issuance of building permits, in consultation with Conoco Phillips, Shell and the San Joaquin Environmental Hazards Division.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure HAZ 4.8-2a:*** *Prior to issuance of grading permits, a Phase II ESA focused on soil sampling and soil vapor sampling shall be conducted near the location of the underground crude oil pipelines, as determined by a qualified Phase II/Site Characterization specialist. Upon completion of site characterization activities, the Site Characterization specialist shall recommend remedial activities, if necessary, subject to approval of the City of Tracy Engineering Division. [This is Mitigation Measure 4.8-2a in the THSP SEIR]*
>
> ***Mitigation Measure HAZ 4.8-2b:*** *Prior to issuance of grading permits, the Project Applicant shall work with Conoco Phillips and Shell to implement and observe a site damage-prevention plan to the satisfaction of the City of Tracy Engineering Division. This may potentially include the following:*
>
> - *Designing a site development plan incorporating permanent land use over the pipeline right-of-way that minimizes the potential for damage to the lines (as discussed above, this is already an integrated plan design feature, but is listed here because it is an important component of a damage prevention plan);*
> - *Prominently marking the line locations prior to site development, maintaining markings throughout the development process, and final marking after work is complete;*
> - *Communicate plans for significant excavation or land contouring work;*
> - *Identify changes in land contour that could significantly reduce the soil cover over the pipelines;*
> - *Evaluate the effects of heavy construction vehicles crossing the lines, designate areas for heavy construction vehicles to cross the lines, and provide temporary fill or other temporary protection over the lines where necessary;*
> - *Minimize installations of new buried utilities and services across the existing pipelines;*
> - *Evaluate whether the existing lines should be lowered to increase vertical separation between the pipelines and new surface features; and*
> - *Develop other damage-prevention measures as may be necessary.*

In addition to the damage prevention measures listed above, the Project Applicant and the pipeline operators should consider other measures for reducing risk suggested in the Pipelines and Informed Planning Alliance (PIPA) recommended practices on informed land use. PIPA recommended practices are not "mandated", but they are best management practices intended to reduce risk and enhance pipeline safety. [This is Mitigation Measure 4.8-2b in the THSP SEIR]

As identified in Figure 4.8-4 of the THSP SEIR, a PPL 16-inch crude oil pipeline is located along the southern boundary of the 7C Village site. Because the land area covered by the proposed Project is within the same development footprint covered by the adopted THSP, the proposed Project would have the potential to create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the likely release of hazardous materials into the environment. With implementation of the above mitigation measures, the proposed Project's impact on release of hazardous materials into the environment would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (c) Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

As identified in the THSP SEIR, three active crude oil pipelines (Chevron 18-inch pipeline, PPL 16-inch pipeline, Shell 20-inch pipeline) and two natural gas pipelines (26-inch natural gas pipeline and 36-inch natural gas pipeline) traverse the THSP Area. The proposed school site that was evaluated in the THSP SEIR is in close proximity to the Conoco pipeline and the Shell pipeline as shown in Figure 4.8-3 of the THSP SEIR. The Conoco pipeline is located approximately 680-700 feet southwest of the proposed school site boundary. The Shell pipeline is located approximately 2,250 feet southwest of the proposed school site. The THSP SEIR concluded that although the Shell pipeline is at a significant distance from the proposed school site, the surface flow of crude oil could enter existing drainage culverts, risking a significant impact. The THSP determined that in the future condition, these drainage culverts would be connected to the development surface drainage (streets) or underground drainage (subdrains). With implementation of Mitigation Measure HAZ 4.8-3, potential impacts associated with flash fire and pool fire heat risk to the proposed school would be reduced to less than significant levels.

The THSP SEIR analyzed the risk analysis for all five pipelines in the THSP Area. The calculated risk for each pipeline was determined to be a less than significant threshold and the total cumulative risk for all pipelines within the corridor was also determined to be a less than significant. With implementation of setback mitigation, Mitigation Measure HAZ 4.8-4, pipeline risk to proposed development within the THSP Area would be reduced to less than significant levels.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

Mitigation Measure HAZ 4.8-3: *The proposed underground storm drain system, roadways, graded slopes, and final surface topography shall be designed and constructed in accordance with the*

recommendations outlined in the Liquid Petroleum Pipeline Risk and California Aqueduct Flood Risk for the Proposed Tracy Hills School Site, Jefferson School District, City of Tracy, San Joaquin County, California prepared by Wilson Geosciences, Inc. dated May 2013 and to the satisfaction of the City of Tracy Engineering Division. [This is Mitigation Measure 4.8-3 in the THSP SEIR]

Mitigation Measure HAZ 4.8-4: *In accordance with the Pipeline Safety Hazard Assessment, Tracy Hills Specific Plan prepared by PlaceWorks dated September 2014, proposed development adjacent to the natural gas and/or crude oil pipelines shall implement the following measures:*

1. *Incorporate a minimum 13-foot setback distance from the centerline of the Phillips 66 pipeline to the nearest buildings/structures in the proposed development.*

2. *Incorporate a minimum setback distance of 25 feet from the centerline of any pipeline within the two natural gas pipelines and the Chevron crude oil pipeline. This would result in an additional 15 feet on the northeast side of the PG&E easement and an additional 20 feet on the southwest side of the easement to be dedicated as open space or public space or used for landscaping.*

3. *Incorporate designated land uses over the pipeline easements, such as public space, open space, or green space, to minimize the potential for third party damage.*

4. *Mark the pipeline locations prior to THSP development, maintaining the markings throughout the development process, and installing final markings after the work is complete.*

5. *Coordinate with the pipeline operators when development calls for excavation or utility trenching near the pipelines.*

6. *All contractors must initially pothole or hand dig to the proposed depth of the utility trench or excavation if working within 25 feet of the pipeline easements.*

7. *Consult with the pipeline operators on whether heavy construction vehicles with axle loads greater than 15,000 pounds would create stress on the pipelines at their current burial depths when crossing the lines and/or easements. Establish temporary fill or other protective measures as needed and establish permanent crossing areas for vehicles in excess of 15,000 pounds.*

8. *Avoid placing new utilities and services within the pipeline easements and minimize utility crossings over the pipeline easements to the extent feasible.*

9. *Select landscaping vegetation with shallow root structures within the setback zone to avoid root structures that damage pipeline coatings.*

10. *Avoid planting trees that prevent direct observation of the pipelines by aerial patrol.*

11. *Use non-flammable fencing along the pipeline easement.*

12. *Manage storm water runoff to prevent erosion of the pipeline bedding.*

13. *Maintain access to the pipelines by pipeline personnel and first responders in the event of an emergency.*

14. *Project Applicants or sales representatives shall disclose to potential occupants regarding the proximity of the natural gas and crude oil pipelines, as required in accordance with Assembly Bill 1511 – Real Property: Disclosures: Transmission Pipeline.*

15. *Home Owners Associations (HOA) shall maintain an emergency contact list with phone numbers of the local police, fire department, and pipeline operators (PG&E, Chevron, Phillips 66, and Shell).*

16. *Coordinate with the pipeline companies so that the property occupants are notified if excavation or maintenance activities for the pipelines are planned along the pipeline easements.*

17. *Report any roadwork or underground utility work that involves digging in or near the pipelines to the pipeline companies.*

18. *Report immediately any odors or leakage from the pipelines to the pipeline operator and local emergency response personnel (i.e., the Tracy Fire Department).*

19. *HOAs shall maintain at an appropriate on-site location an emergency response plan that outlines emergency procedures to be followed in the event of a pipeline release.*

For additional detail refer to the September 2014 Pipeline Safety Hazard Assessment, Tracy Hills Specific Plan. [This is Mitigation Measure 4.8-4 in the THSP SEIR]

The Project site would be located approximately 1.3 miles west of the proposed school site previously identified in the THSP SEIR. As shown in Figure 4.8-3 of the THSP EIR, the closest pipeline to the Project site is the Conoco Pipeline, which is located along the southern boundary of the Project site. In the event a full pipeline rupture from the Conoco Pipeline were to occur, the THSP EIR considered hypothetical flow paths that could result in "pools" of crude oil. If a full pipeline rupture were to occur, there is the potential crude oil could flow in a down gradient towards the Project site. As illustrated in Figure 4.8-3 of the THSP EIR, no crude oil pools would be located within the Project site.

Given that the Project proposes only residential uses, and the distance to the nearest school, the Project would not involve a significant transport, use, storage, or risk of upset of hazardous materials within one-quarter mile of any schools. With implementation of the mitigation measures described above, the proposed Project's impact regarding emitting hazardous emissions or handling hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of a proposed school would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (d) Would the project be located on a site which is included on a list of hazardous materials sites compiled pursuant to Govemment Code Section 65962.5 and as a result, would create a significant hazard to the public or the environment?

As identified in the THSP EIR, the THSP Area is not included on a hazardous sites list compiled pursuant to California Government Code Section 65962.5. The proposed Project does not include improvements outside the area previously analyzed in the THSP SEIR. Therefore, the propose Project would not be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and there would be no impact and no further analysis is required.

Threshold (e) Would the project be 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, result in a safety hazard for people residing or working in the project area?

A portion of the THSP Area is located within the Tracy Municipal Airport, Traffic Pattern Zone 7 in the 2009 San Joaquin Airport Land Use Compatibility Plan (ALUCP) as shown in Figure 4.10-2 of the THSP SEIR. As identified in the THSP SEIR, the San Joaquin ALUCP specifies sensitive land uses and structure heights which are restricted within these zones. Given the conflict of allowable land uses within the M-1 Light Industrial designation, the Inner Approach/Departure Zone 2 and the Inner Turning Zone 3, the THSP SEIR concluded there would be a potentially significant impact with implementation of the THSP Area. With implementation of Mitigation Measure LU 4.10-1, potential impacts regarding compatibility with the existing land use plans and policies would be reduced to a less- than- significant level by ensuring that tentative and final maps comply with 2009 ALUCP. With implementation of Mitigation Measure HAZ 4.8-6, potential impacts regarding retention basins attracting wildlife that could be hazardous to aircrafts associated with the Tracy Municipal Airport would be less-than-significant.

The following mitigation measures incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure HAZ 4.8-6:*** *The proposed retention basins have been designed and constructed in accordance with the recommendations outlined in the Federal Aviation Administration Advisory Circular No. 150/5200-33B to control hazardous wildlife. In the event that the basins do not have a drawdown time of 48 hours following a storm event, the Project Applicant shall fund and the City shall use physical barriers, such as bird balls, wires, grids, pillows or netting, to prevent access of hazardous wildlife to open water and minimize aircraft-wildlife interactions which shall be approved and inspected by the City. In addition, all vegetation in or around the basins that provide food or cover for hazardous wildlife should be eliminated. [This is Mitigation Measure 4.8-6 in the THSP SEIR]*
>
> *Refer to* ***Mitigation Measure LU 4.10-1*** *in Section X, Land Use.*

As identified in Figure 4.10-2 of the THSP SEIR, the Project site would be within the San Joaquin ALUCP Airport Influence Area Zone 8. Airport hazards within Zone 8 are limited and associated development conditions apply only to review of tall objects (greater than 100 feet). The MDR Zoning District has a maximum building limit of 35 feet, far below the airport's safety zone restrictions. Therefore, the list of

conditions outlined in the THSP SEIR related to Traffic Pattern Zone 7 are not applicable to the 7C Village. In addition, the proposed retention basins within other portions of the THSP would be required by Mitigation Measure HAZ 4.8-6 to be designed and constructed in accordance with the recommendations outlined in the Federal Aviation Administration Advisory Circular No. 150/5200-33B to control against wildlife that could be hazardous to aircrafts associated with the Tracy Municipal Airport. With implementation of the above mitigation measures, the proposed Project's impact on the San Joaquin ALUCP would be less-than-significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (f) Would the project be located within the vicinity of a private airstrip, result in a safety hazard for people residing or working in the project area?

The proposed Project area is not located within 2 miles of a private airstrip. Based on the nature of the proposed Project, and given that the THSP site is not located within two miles of a private airstrip, no impact would occur. The proposed Project would not cause a new impact to occur and no further analysis is required.

Threshold (g) Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

The City's General Plan Safety Element includes policies that require the City to provide fire and emergency response facilities and personnel necessary to meet residential and employment growth in the City. Mitigation Measures PSR 4.12-1, 4.12-2, and 4.12-3 in the Public Services Section of the THSP SEIR require future Project Applicants within the THSP pay the applicable impact fees, which ensure payment of a proportionate share toward the planned facilities. Compliance with the General Plan and providing adequate emergency planned facilities within and near the THSP Area, implementation of the THSP would result in a less than significant impact with respect to interference with an adopted emergency response plan or emergency evacuation plan.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> *Refer to **Mitigation Measures PSR 4.12-1, 4.12-2, and 4.12-3** in Section XII, Public Services and Utilities.*

The addition of 66 dwelling units to the Project site, which was previously considered for residential development, would not change emergency response or evacuation plans because the Project site would be designed with adequate emergency access. Further, as discussed in the THSP SEIR, the Project Applicant would be required to pay applicable impact fees to ensure payment of a proportionate share toward the planned facilities. With implementation of the above mitigation measures, the proposed Project's impact on interference with an adopted emergency response plan or emergency evacuation plan would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was

identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (h) Would the project expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas?

The THSP Area is zoned "Moderate" in the Local Responsibility Area and "Un-zoned" in the State Responsibility Area, which represent the lowest fire severity. Although the THSP Area is within a low fire severity zone, the THSP Area is adjacent to conservation easements, which are covered primarily with grass and brush, which is considered a flammable material. The City requires brush management of any land that is covered with flammable material such as grass, brush, or forest covered land and adjacent to structures. With implementation of Mitigation Measures HAZ 4.8-8a, 4.8-8b and 4.8-8c in the THSP SEIR, grasses and brush within 100 feet of structures would be required to be mowed to a height of no more than 4 inches or disced in order to minimize the amount of fuel to sustain or allow the spread of fire, reducing potential impacts to a less than significant level.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> *To mitigate the fire protection hazards associated with wildland fires, the Applicant shall:*
>
> ***Mitigation Measure HAZ 4.8-8a:*** *Provide a 100-foot firebreak between developed areas and any land that is covered with flammable material such as grass, brush, or forest covered land, including conservation easements (including but not limited to CE 1, CE 2, and CE 3), but excluding conservation corridors. Grasses or weeds including the conservation corridor, that can be expected to burn shall be cattle grazed, disked or mowed to a height of no more than 4 inches pursuant to the terms of the adopted Preserve Management Plan (dated October 2011), and in accordance with City of Tracy Municipal Code in order to minimize the amount of fuel to sustain or allow the spread of fire. [This is Mitigation Measure 4.8-8a in the THSP SEIR]*
>
> ***Mitigation Measure HAZ 4.8-8b:*** *Provide fire department access to all easement corridors and conservation easements (including but not limited CE 1, CE 2, and CE 3) for the purpose of suppressing wildland fires outside of firebreaks. [This is Mitigation Measure 4.8-8b in the THSP SEIR]*
>
> ***Mitigation Measure HAZ 4.8-8c:*** *All new buildings that are located on the south side of I-580 and immediately adjacent to conservation easements (including but not limited to portions of CE 1, Southern CE 2, and CE 3) shall include measures that increase the likelihood that a structure would withstand intrusion by fire. This shall be accomplished by constructing those buildings on the edge of development to the standards of the California Building Code, Chapter 7A, Building and Construction Methods for Exterior Wildfire Exposure. [This is Mitigation Measure 4.8-8c in the THSP SEIR]*

Project implementation would result in an increase of residents on the Project site, as compared to what was analyzed in in the THSP SEIR. This would potentially expose more people within the Project site to the previously identified risk. However, as identified in the previously certified THSP SEIR, there is only a limited fire threat to the THSP Area. In addition, the Project site would not expand beyond the boundaries of the development considered in the THSP. With implementation of the above mitigation measures, the proposed Project's impact in regards to exposing people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new hazardous materials impact to occur, nor an increase in the severity of a hazardous material impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

IX. HYDROLOGY AND WATER QUALITY

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
a. Violate any water quality standards or waste discharge requirements?	☐	☐	☐	☐	☒
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)?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
f. Otherwise substantially degrade water quality?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
j. Inundation by seiche, tsunami, or mudflow?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the project violate any water quality standards or waste discharge requirements?

As determined in the THSP SEIR, the buildout of the THSP would have a less than significant impact in respect to violation of water quality with the implementation of the terminal retention/percolation basins or other facilities. Construction activities for buildout of the THSP Area, which would include site development, infrastructure, and the storm drain system would require a National Pollutant Discharge Elimination System (NPDES) permit. As determined in the THSP SEIR, future development of the THSP Area would be responsible for obtaining and complying with NPDES permit requirements. Implementation of BMPs during construction, would minimize water quality impacts to a less-than- significant level.

After construction, stormwater from buildout of the THSP Area could have the potential to degrade water quality to open space along the I-580, California Aqueduct and/or Delta Mendota Canal. Retention basins would provide attenuation storage and opportunities for pollutants to settle and be retained within the basin and provide opportunities for recharge. As determined in the THSP SEIR, retention basins would be utilized to satisfy the requirements set forth in the City's Storm Water Quality Control Manual (SWQC) and NPDES for new development areas. In addition, proposed open channels and existing drainage swales would be used for storm runoff from some of the upslope offsite sub-basins to downstream terminal retention/percolation basins or other facilities. Thus, impacts to water quality would be less- than-significant with the implementation of the terminal retention/percolation basins, open channels and drainage swales as determined in the THSP SEIR.

Potential water quality impacts associated with the proposed Project would include short-term construction-related erosion/sedimentation and long-term operational stormwater discharge. As compared to the THSP, the Project would have the potential for additional stormwater runoff due to increased impervious surface area. Similar to the THSP, if not managed properly, grading and construction activities could cause soils and other pollutants to enter the storm drain system. During heavy rains, this may degrade stormwater quality at downstream locations. To minimize water quality impacts associated with the proposed Project, construction activities would be required to comply with a SWPPP, consistent with the NPDES. Additionally, the proposed Project would also implement stormwater control measures such as Low Impact Development (LID) and Best Management Practices (BMP's) per the City's Manual of Stormwater Quality Control Standards for New Development and Redevelopment.

Project implementation would have an increase in impervious surfaces through construction of buildings, parking areas, roadways, and other improvements. However, the proposed Project would still be required to incorporate to the extent feasible, low impact development (LID) features, including directing drainage from impervious surfaces to bioswales for infiltration as part of BMPs per the City's Manual of Stormwater Quality Control Standards. In addition, as required in the THSP, development projects greater than 100,000 square feet are required to implement specific controls, as identified in the City's SWQC Manual, and to submit a Storm Water Quality Control Plan (SWQCP) that demonstrates that the proposed Project would conform to all requirements of the City standards. Compliance with NPDES permit requirements

and implementation of BMPs during construction would ensure the proposed Project's impact on water quality standards or waste discharge requirements would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (b) Would the project substantially deplete groundwater supplies or interfere with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level?

As identified in the THSP SEIR, implementation of the THSP would not have an adverse impact on groundwater recharge. The Water Supply Assessment (WSA) prepared for the THSP SEIR concluded that the City's existing and additional planned future water supplies are sufficient to meet the City's existing and projected future water demands, including those future water demands associated with the THSP to the year 2035 under all hydrologic conditions.

Medium density residential uses have a lower average water demand than low density residential uses.[6] Project implementation would introduce an additional 177 additional MDR dwelling units, it would include a net decrease of 88 LDR dwelling units. As such, the Project would result in 17,118 gpd more water demand than considered in the THSP SEIR. While the proposed Project has a greater water demand than analyzed for the Project site in the THSP, there is a net change of 17,118 gpd as compared to 3,329,929 gpd (3,730 acre feet per year)[7] that was considered in the THSP SEIR (0.5 percent). Therefore, Project implementation would have a similar water demand as analyzed In the THSP SEIR. Further, as determined in the WSA for the THSP SEIR, there are sufficient capacities to meet water demand for the THSP Area.

While the Project would increase impervious surfaces due to an increase of 66 dwelling units on the Project site, it would not result in any change to the THSP open space, retention basins, or natural channels. However as identified in the THSP SEIR, on-site bioswales would still be included to facilitate groundwater recharge as part of buildout of the THSP Area as part of BMPs per the City's Manual of Stormwater Quality Control Standards. Therefore, similar to the approved THSP, implementation of the proposed Project would not deplete groundwater supplies or interfere with groundwater recharge, any greater than already analyzed in the THSP SEIR and this impact would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP. Therefore, the proposed Project would be consistent with the effects of implementation of the THSP.

Threshold (c) Would the project 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?

[6] Medium Density Residential uses 310 gpd/du and Low Density Residential uses 429 gpd/du. (City of Tracy, 2014) Available here: https://www.ci.tracy.ca.us/documents/Water_Supply_Assessment.pdf
[7] THSP SEIR, page 4.12-39

As identified in the THSP SEIR, with mitigation, implementation of the THSP would have a less than significant impact with respect to substantial erosion or siltation on- or off-site. The Tracy Hills Storm Drainage Master Plan (SDMP) was prepared as a guidance document to identify the primary framework of storm drainage facilities needed to serve future land development under the buildout condition for the THSP Project Area. Individual development projects within the THSP would be required to provide site-specific or project-specific storm drainage solutions that would be consistent with the overall infrastructure approach within the Tracy SDMP. The THSP SEIR determined that buildout of the THSP would increase erosion and sedimentation through the removal of vegetation during construction of THSP infrastructure. Implementation of the THSP would result in an increase in flow rates and volumes of runoff with an increase in the amount of impervious surface such as buildings, streets and parking areas. However, with implementation of Mitigation Measure HYDRL 4.9-1a and 4.9-2 in the THSP SEIR, potential impacts on erosion and sedimentation would be less than significant.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure HYDRL 4.9-1a:*** *Prior to issuance of a grading or building permit, whichever occurs first, all Project Applicants shall demonstrate to the City of Tracy compliance with NPDES General Construction Activities Storm Water Permit Requirements established by the Clean Water Act (CWA), including the preparation of a Storm Water Pollution Prevention Plan (SWPPP). The SWPPP shall identify 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 comply with the most current standards established by the Central Valley RWQCB. Best Management Practices shall be selected from a menu according to site requirements and shall be subject to approval by the City Engineer and Central Valley RWQCB. [This is Mitigation Measure 4.9-1a in the THSP SEIR]*
>
> ***Mitigation Measure HYDRL 4.9-2:*** *All Project Applicants shall submit and obtain City approval of a drainage plan to the City of Tracy for on-site post-construction BMP drainage improvements consistent with the Tracy Hills Storm Drain Master Plan. Once City approval is received, all Project Applicants shall construct the drainage improvements as necessary and in accordance with the timing described in the Tracy Hills Storm Drain Master Plan. [This is Mitigation Measure 4.9-2 in the THSP SEIR]*

Development of the Project site would have the potential to alter drainage patterns, as compared to existing conditions, from increased erosion and sedimentation through the removal of vegetation during construction activities. Development of the proposed Project would result in a nominal increase of impervious surfaces through construction of buildings, parking areas, roadways, and other improvements because the proposed Project would result in an additional 66 dwelling units on site. Although the proposed Project would change land use density limitations and increase development intensity, the additional 66 dwelling units would be consistent with analysis in the THSP SEIR. Therefore, with implementation of the above mitigation measures, the proposed Project's impact on the existing drainage pattern of the Project site would be less than significant. This is consistent with the impact conclusions of

the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (d) Would the project 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?

As identified in the THSP SEIR, majority of the THSP Area is not located within the 100-year and 500-year floodplains. Development of the THSP Area would convert a primarily undeveloped site to a developed one, which would increase flow rates, frequency, and volumes of runoff by introducing streets, buildings, parking areas, and other impervious surfaces within the THSP Area. Flows from the off-site, upstream drainages tributary to the THSP would be intercepted and conveyed through a combination of open channels and underground storm drain system and discharge to the proposed retention basins. The retention basins would capture increases in peak flow as result of development and would substantially reduce or eliminate downstream flow. With implementation of the drainage improvements described in the SDMP, it is unlikely that the THSP Area would result in or be affected by flooding. Therefore, implementation of the THSP would have a less than significant impact on the rate or amount of surface runoff resulting in flooding.

Development of the Project site would have the potential to alter drainage pattern through introduction of streets, buildings, parking area, and other impervious surfaces from buildout of the Project site. The proposed Project would result in an additional 66 dwelling units on site. Although the proposed Project would change land use density limitations and increase development intensity, the total developable acreage would be consistent with analysis in the THSP SEIR. With implementation of the drainage improvements as described in the SDMP and THSP SEIR, the proposed Project's impact on surface runoff which would result in flooding would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (e) Would the project create or contribute runoff water, which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?

As identified in the THSP SEIR, with mitigation, implementation of the THSP would have a less than significant impact in respect to runoff water that exceeds the capacity of existing or planned storm water drainage systems. As discussed in Section 4.8, Hazards and Hazardous Materials of the THSP SEIR, the types of uses and facilities allowed in the THSP Area may generate, store, use, distribute or dispose of hazardous materials such as industrial waste, oils, solvents, paints, diesel fuel, hydraulic fluid and corrosives. With implementation of Mitigation Measures HYDRL 4.9-1a, 4.9-1b, 4.9-2, and 4.9-3, potential impacts from polluted runoff would be less than significant.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

See Mitigation Measures HYDRL 4.9-1a and 4.9-2 above.

Mitigation Measure HYDRL 4.9-1b: *Prior to issuance of a grading or building permit, whichever occurs first, all Project Applicants shall submit to the City Engineer for review a draft copy of the Notice of Intent (NOI) and SWPPP. After approval by the City, the NOI and SWPPP shall be sent to the State Water Resources Control Board for approval. [This is Mitigation Measure 4.9-1b in the THSP SEIR]*

Mitigation Measure HYDRL 4.9-3: *All Project Applicants shall implement the following measures:*

1. *Shall implement sound Integrated Pest Management (IPM) principles and practices in an effort to minimize the use of pesticides in common landscaped areas, open space areas, or park areas. These programs shall include setting acceptable thresholds of infestations and a process for determining the best prevention or treatment method for a given pest. Pest problems in common landscaped areas, open space areas, or park maintenance shall be managed through prevention and treatment using physical, mechanical and biological controls. The use of toxic pesticides will be implemented only after other non-toxic approaches or products have been determined infeasible. Fertilizers shall be applied sparingly, and shall be derived from natural sources, such as fish emulsion or manure.*

2. *Shall cooperate with the City to create a public education program for future business owners to increase their understanding of water quality protection, which should include but not be limited to:*

    - *Hazardous material use controls;*
    - *Hazardous materials exposure controls;*
    - *Hazardous material disposal and recycling.*

3. *Encourage the use of alternative methods to avoid hazardous materials to the extent feasible and prohibit the dumping of hazardous materials in open space areas or the storm drain system. [This is Mitigation Measure 4.9-3 in the THSP SEIR]*

As discussed in the previously certified THSP SEIR, the THSP would include storm drainage features as part of its land plan to accommodate the THSP's drainage as well as drainage from certain other existing surrounding uses and adhere to the City's Storm Drainage Master Plan, which has plans for improvements that accommodate development proposed under the THSP.

Implementation of the proposed Project would have the potential to increase local runoff volumes, frequency, and flow rates compared to existing conditions. The proposed Project would have the potential to contribute runoff water, which would exceed the capacity of existing or planned storm water drainage

systems or provide substantial additional sources of polluted runoff. The proposed Project would result in an additional 66 dwelling units on site. Although the proposed Project would change land use density limitations and increase development intensity, the additional 66 dwelling unitswould be consistent with analysis in the THSP SEIR. With implementation of above mitigation measures, the proposed Project's impact on increased runoff water would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (f) Would the project otherwise substantially degrade water quality?

As identified in the THSP SEIR, with mitigation, implementation of the THSP would have a less than significant impact on degradation of water quality. As discussed above in Threshold (e), with implementation of Mitigation Measures HYDRL 4.9-1a, 4.9-1b, 4.9-2, and 4.9-3, implementation of the THSP would not substantially degrade water quality.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

See Mitigation Measures HYDRL 4.9-1a, 4.9-1b, 4.9-2 and 4.9-3 above.

The proposed Project would have the potential to degrade water quality through erosion or siltation from construction and operation activities. The proposed Project would result in an additional 66 dwelling units on site. Although the proposed Project would change land use density limitations and increase development intensity, the additional 66 dwelling unitswould be consistent with analysis in the THSP SEIR. With implementation of the above mitigation measures, the proposed Project's impact on water quality would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (g) Would the project 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?

The THSP SEIR identified that the THSP Area is located in 100-year and 500-year floodplains areas associated with Corral Hollow Creek (FEMA Flood Insurance Rate Map (FIRM) Panel No. 06077C0740F for San Joaquin County, California and Incorporated Areas dated October 16, 2009). However, as identified in the THSP SEIR, there are no residential uses proposed within the 100-year and 500-year floodplains. Thus, the THSP SEIR identified that no impact would occur.

THSP SEIR Figure 4.9-3A and Figure 4.9-3B maps the proposed Project outside the 100-year and 500-year floodplain areas. As such, the Project site is not located within the 100-year floodplain and there would be no impact associated with placing housing within a 100-year flood hazard area. No new specific impact

would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (h) Would the project place structures within a 100-year flood hazard area, which would impede or redirect flood flows?

As identified in the THSP SEIR, the majority of the development within the THSP Area would be located outside of the 100-year floodplain and therefore, the floodplain would not impact development. However, as described above, a small portion of the THSP was mapped in the THSP SEIR as being located in 100-year and 500-year floodplains for Corral Hollow Creek. The easternmost edge of the THSP Area, specifically the General Highway Commercial land uses, encroaches into approximately 2.2 acres of the 500-year flood elevation and 0.1 acres of the 100-year flood elevation. Depending on the ground at the proposed building locations, development within this area may need to elevate building finished floors a minimum of 1 foot above the 100-year flood elevation for Corral Hollow Creek, and possibly, meet the requirements to withstand a 200-year flood per the Urban Level of Flood Protection (ULOP) Criteria. Senate Bill 5 establishes a requirement that "urban areas" and "urbanizing areas" apply a 200-year return period storm level of protection standard to new development in locations meeting certain criteria no later than 36 months after the Central Valley Flood Protection Plan is adopted by the State. Additionally, the City's Storm Drain Management Plan has been designated to accommodate the 100-year flood event in accordance with City design standards. With implementation of Mitigation Measure HYDRL 4.9-4 in the THSP SEIR, potential impacts associated with placing structures within the 100-year floodplain were found to be less than significant.

THSP SEIR Figure 4.9-3A and Figure 4.9-3B map the proposed Project outside the 100-year and 500-year floodplain areas. As such, the Project site is not located within the 100-year floodplain and there would be no impact associated with placing structures within a 100-year flood hazard area. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (i) Would the project 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?

As identified in the THSP SEIR, the THSP is not located within the dam inundation risk areas. As a result, no impacts would occur as a result of the failure of a levee or dam. Since the proposed Project would be within the same footprint as previously analyzed in the THSP, there would be no impact and no further analysis is required.

Threshold (j) Would the project result in inundation by seiche, tsunami or mudflow?

As identified in the THSP SEIR, the THSP is located inland across several mountain ranges from the Pacific Ocean and is not downstream of any significant body of water. Therefore, there is no risk of exposure to inundation by seiche or tsunami and no impact would occur. Because implementation of the proposed Project would be still be located within the same footprint of the THSP Area, the proposed Project would

not result in inundation by seiche, tsunami or mudflow. Similar to the THSP, there would be no impact and no further analysis is required.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new hydrological impact to occur, nor an increase in the severity of a hydrological impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

X. LAND USE AND PLANNING

WOULD THE PROJECT:

Issues	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
Would the project:					
a. Physically divide an established community?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the project physically divide an established community?

As identified in the THSP SEIR, THSP implementation would not have the potential to divide an established community. While new development, improvements, and intensification of the THSP Area would occur under the THSP, THSP implementation would not physically divide an established community and impacts would be less than significant.

Currently the Project site has a General Plan designation of Residential Low and the surrounding land uses in the immediate vicinity of the Project site are designated as Residential High, Residential Low, and Commercial. The Project site and surrounding areas are currently characterized by undeveloped land. The proposed Project would convert the undeveloped land to urbanized development. Because the Project site is currently vacant and does not have any established communities on site, implementation of the proposed Project would not physically divide an established community. The additional 66 dwelling units allowed by the Project would not create any additional potential to divide an established community, as compared to the THSP. Thus, impacts would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (b) Would the project 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?

As identified in the previously certified EIR for the THSP, implementation of the THSP Area would not conflict with land use plans, policies, or regulations. Implementation of the previously approved THSP required a General Plan Amendment to amend the General Plan Land Use Map to reflect the proposed land use changes identified in Figure 3-3 of the THSP SEIR. As determined in the THSP SEIR, impacts related to the consistency with the General Plan were found to be less than significant. As determined in the THSP SEIR, zoning districts identified in the THSP Area were determined to be consistent with the City's zoning. As a result, impacts would be less than significant. As discussed in Section VIII, Hazards and Hazardous Materials of the THSP SEIR, a portion of the northeast corner of the THSP Area is located within the Tracy Municipal Airport, Traffic Pattern Zone 7 in the 2009 San Joaquin ALUCP as shown in Figure 4.10-2 of the THSP SEIR. With implementation of Mitigation Measure LU-4.10-1, potential impacts regarding compatibility with the existing land use plans and policies would be reduced to a less- than- significant level by ensuring that tentative and final maps comply with 2009 ALUCP.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

> ***Mitigation Measure LU 4.10-1:*** *All tentative and final maps within the THSP shall conform to the provisions of the 2009 ALUCP (or the ALUCP in effect at the time of Project Applicant submissions), including but not limited to:*
>
> - Land use restrictions of the ALUCP;
> - *All proposed school sites within a 2-mile radius of the airport runway must obtain approval by the State Department of Transportation Division of Aeronautics. [This is Mitigation Measure 4.10-1 in the THSP SEIR]*

The previously approved THSP is consistent with the Tracy General Plan designation of THSP area such that the mix of proposed land uses are consistent with the statistical profile evaluated in the General Plan. Overall, the proposed Project is consistent with the underlying land use and zoning designations that have been included in local and regional planning efforts. As shown in Table 1: Land Use Plan Buildout (2035), the proposed Project would increase the land development intensity by an additional 66 dwelling units. Since the number of people utilizing the Project site daily would be more intense than previously considered in the THSP SEIR, the vehicle trips generated by the proposed Project would be proportionally greater than considered in the THSP. Compared to the THSP, the proposed Project would result in an overall daily a.m. peak hour increase of approximately 36 trips, and an overall daily p.m. peak hour trips increase of approximately 70 trips (see Section XV, Transportation).

As identified in Figure 4.10-2 of the THSP SEIR, the Project site would be within the San Joaquin ALUCP Airport Influence Area Zone 8. The Area Zone 8 does not have restrictive building conditions. Furthermore, the maximum height of buildings within the Medium Density Residential District is 35 feet, far below any height restrictions outlined in the ALUCP. With implementation of the above mitigation measure, the proposed Project's impact on land use plans, policies, or regulations would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would

it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (c) Would the project conflict with any applicable habitat conservation plan or natural community conservation plan?

As identified in the THSP SEIR, implementation of the THSP Area would not conflict with any habitat conservation plan or natural community conservation plans. The THSP is located within the Southwest Zone and Central/Southwest Transition Zone designated by the SJMSCP. Specifically, Phase 1 of the THSP is located in the Central/Southwest Transition Zone and the area west of I-580 is located in the Southwest Zone. By participating in the SJMSCP, applicants would be required to comply with all relevant conditions of the use agreement, including the Incidental Take Minimization Measures defined in Section 5.2 of the SJMSCP. With implementation of Mitigation Measure BIO 4.4-1h, 4.4-1j, 4.4-1m, and 4.4-4a no impact relative to inconsistency with habitat conservation plans would occur.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> *Refer to **Mitigation Measure BIO 4.4-1h, 4.4-1j, 4.4-1m, and 4.4-4a** in Section IV, Biological Resources.*

Because the Project site is within the same footprint of the THSP and within the SJMSCP, the proposed Project would have the potential to conflict with the SJMCP. With implementation of the above mitigation measures, the proposed Project's impact with the SJMCP would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new land use impact to occur, nor an increase in the severity of a land use impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

XI. MINERAL RESOURCES

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the project 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?

The main mineral resources found in San Joaquin County, and Tracy are sand and gravel (aggregate), which are primarily used for construction materials like asphalt and concrete. The City of Tracy has an adopted Aggregate Mining Overlay zone, which has been approved by the State Division of Mines and Geology (Resolution 2000-12 of State Division of Mines and Geology). In order to protect aggregate land and mitigate conflicts between mining activities and urban uses, the 2011 Tracy General Plan designates lands with production quality mineral reserves as Aggregate in the southern portion of Tracy. Of the area classified by the State Division of Mines and Geology as having potentially significant mineral deposits, the City has designated the bulk of this area as Aggregate in the 2011 General Plan. Some additional areas identified as having potentially significant aggregate deposits are designated as Industrial in the General Plan. The City and State have agreed to protect identified areas south of Linne Road for aggregate uses and allow for urban development north of Linne Road (much of which has already occurred).

There is a small aggregate area south of the California Aqueduct, along Corral Hollow Road that is within the THSP Area. Impacts to mineral resources within the THSP Area was determined to be less than significant in the 2011 General Plan EIR.

Although the proposed Project would change land use density limitations and increase development intensity in the Project area, the conversion of undeveloped land to urbanized development would remain the same. The Project site is not located inside of the small aggregate area identified in the THSP SEIR and the Project would not expand the boundaries of development beyond those considered in the THSP. Thus, the proposed Project would not have the potential for new impacts to mineral resources and impacts in regard to the loss of availability of a known mineral resource would be considered less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor

would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (b) Would the project 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?

The THSP Area has not been used for mineral resource recovery and is not delineated as a mineral resource recovery site on any land use plans. As the Project site is not currently used (or planned for use) as a mineral resource recovery site, no impacts to mineral resources would occur. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result and no further analysis is required.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new mineral impact to occur, nor an increase in the severity of a mineral impact previously disclosed in the THSP SEIR. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

XII. NOISE

WOULD THE PROJECT:

Issues	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
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?	☐	☐	☐	☐	☒
b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	☐	☐	☒
c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☐	☒
d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

A noise impact analysis was performed for the previously certified THSP SEIR to evaluate the potential for noise and vibration impacts resulting from Specific Plan implementation. The results and findings as they apply to the proposed Project are summarized herein.

Noise sources in the THSP area consist of vehicular traffic on nearby roadways, including I-580, Lammers Road, Corral Hollow Road, Linne Road, Tracy Boulevard, and Eleventh Street. According to the THSP SEIR, on-site noise levels were measured on March 30, 2013 to document noise levels at the existing land uses. Noise levels were based on readings at two Long-Term Locations and four Short Term Locations, which included four locations on roadways near the Phase 1a area. The noise environment of the proposed Project site is dominated by traffic along Interstate 580 and Corral Hollow Road.

Project implementation would result in a higher development intensity and an increase of 66 dwelling units as compared to uses analyzed for the Project site in the THSP. Therefore, noise sources generated by the proposed Project would proportionally greater but would include similar noise sources such as, vehicle traffic, emergency generators, trash compactors, and rooftop mechanical equipment.

Threshold (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?

According to the THSP SEIR, future mobile traffic noise levels generated along heavily-traveled roadways may result in potentially significant impacts for existing sensitive receptors and future buildings in the Specific Plan Area; [8] refer to Section XII (c) below. THSP SEIR Mitigation Measures NOI 4.11-1; 4.11-3a; 4.11-3b; 4.11-3c; 4.11-3d; and 4.11-3e and adherence to Municipal Code requirements would lessen stationary noise impacts to less than significant.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure NOI 4.11-1:*** *Prior to the issuance of demolition permits or ground disturbing activities (whichever occurs first), the Contractor shall demonstrate to the satisfaction of the City of Tracy Engineering and Building Divisions that the Project complies with the following:*
>
> - *Construction contracts specify that all construction equipment, fixed or mobile, shall be equipped with properly operating and maintained mufflers and other state required noise attenuation devices.*
>
> - *Property occupants located adjacent to the Project boundary shall be sent a notice, at least 15 days prior to commencement of construction of each phase, regarding the construction schedule of the Project. A sign, legible at a distance of 50 feet shall also be posted at the Project construction site. All notices and signs shall be reviewed and approved by the City of Tracy Planning Division prior to mailing or posting and shall indicate the dates and duration of construction activities, as well as provide a contact name and a telephone number where residents can inquire about the construction process and register complaints.*
>
> - *The Contractor shall provide evidence that a construction staff member would be designated as a Noise Disturbance Coordinator and would be present on-site during construction activities. The Noise Disturbance Coordinator shall be responsible for responding to any local complaints about construction noise. When a complaint is received, the Noise Disturbance Coordinator shall notify the City within 24-hours of the complaint and determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and shall implement reasonable measures to resolve the complaint, as deemed acceptable by the Planning Division. All notices that are sent to residential units immediately surrounding the construction site and all signs posted at the construction site shall include the contact name and the telephone number for the Noise Disturbance Coordinator.*
>
> - *During construction, stationary construction equipment shall be placed such that emitted noise is directed away from sensitive noise receivers.*

[8] THSP Draft EIR, page 4.11-22.

- *Construction activities shall occur between the hours of 7:00 AM and 10:00 PM daily pursuant to Section 9.12.030 and Section 4.12.820 of the Tracy Municipal Code. [This is Mitigation Measure 4.11-1 in the THSP SEIR]*

Mitigation Measure NOI 4.11-3a*: Prior to issuance of any Building Permit, the Project applicant shall demonstrate, to the satisfaction of the City of Tracy, compliance with the following:*

- *To the extent possible, all mechanical equipment shall be oriented away from the nearest noise sensitive receptors; and*

- *All mechanical equipment shall be screened and enclosed to minimize noise or the equipment shall be factory rated at a noise level that would comply with the noise limits set forth in the City's Municipal Code. [This is Mitigation Measure 4.11-3a in the THSP SEIR]*

Mitigation Measure NOI 4.11-3c: *All feasible sound attenuation shall be incorporated into the parking areas (i.e., landscaping and brushed driving surfaces), such that noise from parking area has been minimized to the greatest extent practicable such that parking lot noise would not exceed the standards indicated in Tracy Municipal Code Section 4.12.750 (General Sound Level Limits). [This is Mitigation Measure 4.11-3c in the THSP SEIR]*

Mitigation Measure NOI 4.11-3d: *Prior to the issuance of Building Permits, any residential development within 2,040 feet of the I-580 centerline shall be designed in compliance with the California Building Code (CBC) and an Acoustical Noise Analysis shall be prepared to ensure that the City of Tracy's exterior and interior noise level standards defined in General Plan Figure 9-3, Land Use Compatibility for Community Noise Environment, are met at all residential, commercial, and recreational land uses. The analysis shall verify that residences are adequately shielded and/or located at an adequate distance from mobile noise sources. Residential buildings or structures shall be designed to ensure interior noise levels do not exceed 45 dBA. In addition, individual developments shall, to the extent feasible, implement site-planning techniques such as the following:*

- *Increasing the distance between the noise source and the receiver;*

- *Using non-noise sensitive structures such as garages to shield noise-sensitive areas;*

- *Orienting buildings to shield outdoor spaces from a noise source;*

- *Incorporating architectural design strategies, which reduce the exposure of noise-sensitive spaces to stationary noise sources (i.e., placing bedrooms or balconies on the side of the house facing away from noise sources). These design strategies shall be implemented as required by the City to comply with City noise standards;*

- *Incorporating noise barriers, walls, or other sound attenuation techniques, as required by the City to comply with City noise standards; and*

- *Modifying elements of building construction (i.e., walls, roof, ceiling, windows, and other penetrations), as necessary to provide sound attenuation. This may include sealing windows, installing thicker or double-glazed windows, locating doors on the opposite side of a building from the noise source, or installing solid-core doors equipped with appropriate acoustical gaskets. [This is Mitigation Measure 4.11-3d in the THSP SEIR]*

Mitigation Measure NOI 4.11-3e: *Prior to the issuance of Grading Permits, any residential development associated with the THSP Buildout (i.e., development other than Phase 1a) located within 260 feet of the Union Pacific Railroad corridor shall have an Acoustical Analysis prepared to fully analyze acoustical impacts and develop measures, if required, to ensure that the City's exterior standards of 70 dBA would be achieved for the proposed land uses that are subject to noise from train pass-bys. The analysis shall conduct detailed train noise modeling to verify that residences are adequately shielded and/or located at an adequate distance from the rail corridor to comply with the City's exterior standards. The analysis shall also ensure that interior noise levels do not exceed 45 dBA. [This is Mitigation Measure 4.11-3e in the THSP SEIR]*

The proposed Project area consists of the THSP 7C Village which is located 0.36-mile north of I-580, approximately one-mile east of Corral Hollow Road, immediately adjacent to the California Aqueduct, and 0.33 mile south of the Union Pacific Railroad. Within the Project area, there are no new sensitive receptors beyond those identified in the THSP SEIR. The nearest identified sensitive receptor is single-family residential uses located approximately one-mile northeast of the Project site. At this distance, construction and operational noise levels would remain low. The proposed Project would result in an increase of 66 dwelling units within the Project area and stationary noise impacts during Project operations would be nominally greater than the stationary noise impacts analyzed in the THSP SEIR. However, with implementation of the above mitigation measures, impacts to noise levels would not be altered any greater than what was previously analyzed and remain less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor a substantial increase in the severity of an impact that was previously identified in the THSP SEIR. Therefore, the proposed Project would be consistent with the effects of implementation of the THSP.

Threshold (b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?

According to the THSP SEIR, neither the City of Tracy nor the County of San Joaquin establishes thresholds for excessive vibration. Therefore, the United States Department of Transportation (Federal Transit Administration [FTA]) criteria of 2.0 inch-per-second PPV for the evaluation of potential human annoyance and potential for structural damage to result from vibration is used.

Construction of the proposed buildings has the potential to produce short-term construction vibration effects and operational vibration as a result of proposed Project's traffic and mechanical equipment operations. Construction of the proposed Project would generate short-term construction vibration during site preparation and construction of the buildings, paving and related activities. Vibration from construction activities rarely reaches the levels that can damage structures, but groundborne vibration

and noise can reach perceptible and audible levels in buildings that are very close to the construction site. Even with vibration reduction measures, such as use of vibration attenuating construction equipment (static rollers) and discretionary scheduling of the noisiest construction activities, groundborne vibration from construction within the Specific Plan Area when in close proximity to sensitive receptors would be a potentially significant impact relative to perception and annoyance.

With respect to the proposed Project, short-term construction vibration impacts could result at adjacent sensitive receptors (residential uses) in the THSP Area. Vibration effects would be reduced by a combination of appropriate equipment and process selection, as well as implementation of proper administrative controls (refer to Mitigation Measure NOI 4.11-1 above). Even with these vibration reduction approaches, it is still possible that individual, site-specific developments could exceed either the annoyance threshold and/or the architectural damage threshold. This potential situation would be exacerbated with the use of standard pile driving techniques. As such, groundborne vibration from construction could result in a potentially significant impact with respect to perception or architectural damage. The proposed Project would also implement best practices for construction activities (as specified in Mitigation Measure NOI 4.11-1), which would reduce groundborne noise and vibration from construction.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

See Mitigation Measure NOI 4.11-1 above.

While the Project would increase the number of residential units, the development footprint and construction duration would remain the same as previously considered in the THSP SEIR. With implementation of the above mitigation measure, construction vibration levels as a result of construction for the proposed Project construction would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it cause a substantial increase in the severity of the impact that was previously identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (c) Would the project result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?

As discussed in the previously certified THSP SEIR, THSP implementation would cause a substantial noise increase to most nearby roadways within and in close proximity to the Specific Plan limits during Long Range Plus THSP Buildout Conditions.[9] The THSP impact was identified as significant and unavoidable. According to the THSP SEIR, impacts would occur on off-site roadways where it is infeasible to implement mitigation measures. Therefore, impacts to off-site uses from traffic noise remain significant and unavoidable.

[9] THSP Draft EIR, page 4.11-22.

The proposed Project would include land uses that are developmentally more intense than those analyzed in the THSP SEIR. The Traffic Study for Phase 1A Village 7C found an increase of 36 a.m. peak hour trips and an increase of 70 p.m. peak hour trips compared to the THSP. Similar to the THSP, mitigation measures would not be feasible to apply on off-site roadways and the proposed Project would also result in a significant and unavoidable impact related to future mobile traffic noise. This would not be a new specific impact, nor would it cause a substantial increase in the severity of the impact previously identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

The previously approved THSP SEIR evaluated stationary source noise impacts such as mechanical equipment, slow moving delivery/supply trucks, activities at the loading docks, parking lots, landscape maintenance, and outdoor pools. As the THSP is primarily vacant, the previously approved EIR found new noise sources would be introduced as a result of the THSP buildout. However, THSP SEIR mitigation measures 4.11-3a; 4.11-3b; 4.11-3c; 4.11-3d; 4.11-3e and adherence to Municipal Code requirements would lessen impacts to less than significant. Given that off-site effects cannot be mitigated, this impact would remain significant and unavoidable overall. The Project would have similar operational noise conditions to the previously approved THSP, and there would not be a new specific impact, nor a substantial increase in the severity of the impact previously identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (d) Would the project result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?

Noise emissions from construction of the proposed Project would be localized and occur intermittently for varying periods of time. The highest construction noise levels associated with construction would be generated during grading, excavation, and foundation work, with lower noise levels occurring during building construction and finishing. According to the THSP EIR, potentially significant impacts from construction noise could occur with Specific Plan implementation. The proposed Project includes more intense building development as compared to the THSP, but construction of the proposed Project would include similar construction equipment and maintain the schedule as previously analyzed in the THSP EIR. Therefore, notable temporary sound level increases would not be greater than previously evaluated.

The following mitigation measure incorporated herein from the previously certified THSP SEIR is applicable to the proposed Project:

See Mitigation Measure NOI 4.11-1 above.

With implementation of the above mitigation measure, the proposed Project would reduce the potential for a substantial temporary or periodic increase in ambient noise levels to occur by requiring compliance with the Tracy Municipal Code and implementation of MM NOI 4.11-1, which includes requirements for the use of noise attenuation mufflers for construction equipment, coordination with a Noise Disturbance Coordinator, proper notification to surrounding uses of construction activities, and limiting construction to the less noise sensitive periods of the day (i.e., between the hours of 7:00 AM and 10:00 PM per Tracy Municipal Code Section 4.12.820). With mitigation, the impact is less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor a substantial

increase in the severity of the impact previously identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (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?

According to the THSP SEIR, the THSP Area is located approximately 0.22 miles west of the Tracy Municipal Airport. The Project site is located approximately 1.3 miles southwest of the Tracy Municipal Airport. According to the San Joaquin County Airport Land Use Compatibility Plan Update (ALUCP) the airport has approximately 59,701 operations, primarily performed by single engine piston aircrafts involved in flight training. The Project site not located within any CNEL Airport Noise Contours. Therefore, the proposed Project would not expose persons residing or working in the proposed Project area to excessive airport related noise levels and no impact would occur. No further analysis is required.

Threshold (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?

According to the THSP SEIR, the THSP Area is not located within two miles of a private airstrip. Therefore, the proposed Project is not located within a distance of two miles from a private airstrip. Due to the distance separation, the proposed Project would not expose persons to excessive airport-related noise levels. Similar to the THSP, there would be no impact and no further analysis is required.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new noise impact to occur, nor a substantial increase in the severity of a noise impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

XIII. POPULATION AND HOUSING

WOULD THE PROJECT:

Issues	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
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)?	☐	☐	☐	☐	☒
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☐	☒
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (a) Would the project 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)?

As identified in the previously certified EIR prepared for the THSP, the THSP would include construction of new residential areas. The THSP SEIR found that buildout of the THSP would not exceed the maximum dwelling units or non-residential square footage already anticipated in the certified 2011 General Plan EIR for the THSP Area. The General Plan EIR did not find any significant impacts related to population, employment or housing, thus implementation of the THSP would not induce population growth, which has not already been anticipated in the 2011 General Plan EIR. The THSP EIR determined that displacement of the five existing houses in the THSP Area would not substantiate the need for construction of replacement housing. As a result, the THSP SEIR found impacts related to population and housing would be less-than-significant.

Buildout of the THSP Area is projected to result in 5,689[10] dwelling units for the buildout of THSP from residential uses. Using a multiplier of 3.27 persons per household (pph), approximately 18,423 residents were projected for the buildout of the THSP.[11] As shown in Table 4.13-18a, *Project Buildout (Post 2035) Trip Generation* of the THSP SEIR, approximately 1,751 employees were projected for the buildout of the THSP from commercial land uses.

[10] The total of 5,689 dwelling units referenced herein is from Table 1-1 of the Project Application materials (dated May 4, 2020).
[11] The THSP SEIR had determined the THSP does not exceed the maximum dwelling units or non-residential square footage already anticipated in the certified 2011 General Plan EIR for the THSP Area. The City of Tracy 2011 General Plan EIR used a multiplier of 3.27 pph based on the 2008 Department of Finance estimate to determine total buildout of the City. Thus, for the purposes of this analysis, a multiplier of 3.27 pph is used to determine buildout of the THSP.

Within the Project site, the proposed Project would result in an increase of medium density residential dwelling units, allowing up to 89 additional dwelling units, as compared to the THSP (See Table 1: *Land Use Plan Buildout*). As a result of the proposed Project, the THSP Area would have a total of 5,778 dwelling units at buildout, as compared to 5,689 dwelling units considered in the THSP SEIR. This would be an increase of 1.6 percent in comparison to the dwelling units considered in the THSP SEIR. For the purposes of this analysis, an increase of 66 dwelling units on the Project site is analyzed to reflect the Vesting Tentative Map proposed as part of this Project, which is within the maximum allowable limit denoted in Table 1.

Consistent with the THSP SEIR assumptions of 3.27 persons per household (pph), implementation of the proposed Project would result in an increase of 216[12] new residents in the THSP Area from what was previously determined in the THSP SEIR. This would result in an increase of 1.2 percent, a total of 18,197 residents at buildout of the THSP as compared to the 17,981 residents assumed in the THSP SEIR.

The 2011 General Plan EIR determined total buildout of the General Plan would result in approximately 151,500 people and 46,800 housing units.[13] The City has a Growth Management Ordinance (GMO) that limits residential permits to an average of 600 units per year, a maximum of 750 units in any single year. This is intended to meet the goals and policies of the General Plan, including concentrated growth, and infill development. The City's GMO would help to reduce the potential impacts from future development by managing growth in a manner that is commensurate with available services and utilities. Residential growth under the General Plan was determined to be limited by the GMO in the 2011 General Plan EIR. The GMO would allow for 600 building permits per year between 2013 and 2025. The additional 66 dwelling units associated with implementation of the proposed Project would be within the maximum of 750 units allowed by the GMO. Therefore, growth associated with the Project would not exceed the growth planned for the THSP Area in the 2011 General Plan. This is consistent with the impact conclusion of the THSP EIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (b) Would the project displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?

Threshold (c) Would the project displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

As determined in the previously certified EIR for the THSP, five single-family homes would likely be demolished and replaced with new single family and multi-family homes. Since the THSP includes the construction of new residential areas, the displacement of the five existing houses would not substantiate the need for construction of replacement housing. Therefore, impacts related to population and housing were determined to be less than significant.

[12] The City of Tracy 2011 General Plan EIR (page 3-41) used a multiplier of 3.27 persons per household (pph) based on the 2008 Department of Finance estimate to determine total buildout. The project number of new residents was determined by multiplying 66 dwelling units x 3.27 pph = 216 people

[13] City of Tracy 2011 General Plan EIR, page 4.2-13

Development of the proposed Project would occur on currently undeveloped land. Thus, impact would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new population and housing impact to occur, nor an increase in the severity of a population and housing impact previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

XIV. PUBLIC SERVICES, RECREATION, AND UTILITIES

WOULD THE PROJECT:

	Potentially Significant Impact	*Less Than Significant with Mitigation Incorporated*	*Less than Significant Impact*	*No Impact*	*Reviewed Under Previous Document*
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?	☐	☐	☐	☐	☒
ii. Police protection?	☐	☐	☐	☐	☒
iii. Schools?	☐	☐	☐	☐	☒
iv. Parks?	☐	☐	☐	☐	☒
v. Other public facilities?	☐	☐	☐	☐	☒
b. 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?	☐	☐	☐	☐	☒
c. 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?	☐	☐	☐	☐	☒
d. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	☐	☐	☒
e. 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?	☐	☐	☐	☐	☒
f. 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?	☐	☐	☐	☐	☒
g. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	☐	☐	☐	☐	☒

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
h. Result in a determination by the wastewater treatment provider which 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?	☐	☐	☐	☐	☒
i. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☐	☐	☒
j. Comply with federal, state, and local statutes and regulations related to solid waste?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

Threshold (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

The THSP SEIR identified that development of the THSP would include two fire stations within the THSP Area, which would be adequately equipped to provide fire services for the buildout of the THSP once implemented[14]. As determined in the THSP SEIR, buildout of the THSP would not exceed the City's planned growth level, additional service population was already accounted for in the Citywide Public Safety Master Plan and would not require additional fire protection facilities beyond what has been planned. Additionally, all project applicants of individual projects within the THSP Area would be required to pay a fair and equitable amount to the City's Public Buildings impact fee to offset the capital costs for fire protection and emergency service facilities. As a result, development within the THSP Project Area would not exceed the maximum dwelling units or non-residential square footage approved in 2016, or the maximum dwelling unit square footage contemplated by the City's General Plan. Fire protection needs would not be altered by implementation of the THSP with implementation of Mitigation Measures PSR

[14] Subsequently, the City of Tracy Fire Department determined, Standards of Response Coverage report, that only one fire station would be needed to serve the THSP Area. Personal communication with Fire Chief Randy Bradley on January 28, 2020.

4.12-1 and 4.12-3. Implementation of Mitigation Measures PSR 4.12-1 and 4.12-3 would reduce potential impacts on fire protection to a less than significant level.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure PSR 4.12-1:*** *As part of the application process for each individual development under the Specific Plan, the Project applicant shall be required to pay the applicable development impact fees. [This is Mitigation Measure 4.12-1 in the THSP SEIR]*
>
> ***Mitigation Measure PSR 4.12-3:*** *As determined by the Fire Chief and in accordance with adopted standards of coverage, a fire station and all related equipment shall be constructed and operational in Phase 1A to serve Tracy Hills in accordance with the Citywide Public Safety Master Plan. [This is Mitigation Measure 4.12-3 in the THSP SEIR]*

As discussed above, the increase of 66 dwelling units from implementation of the proposed Project would result in 216 new residents that were not considered in the THSP SEIR. The THSP SIER assumed that two fire stations within the THSP Area would be constructed. As discussed in the Section XIII, Population and Housing, the additional 66 dwelling units associated with implementation of the proposed Project would be within the maximum of 750 units allowed by GMO. Therefore, growth associated with the Project would not exceed the growth planned for the THSP Area in the 2011 General Plan. The proposed Project, with implementation of the mitigation measures identified above, would not result in the need to construct additional fire stations, beyond those identified in the THSP SEIR. Given that no additional fire stations would be required to serve the proposed Project, beyond those identified in the THSP, the proposed Project would not create substantial adverse physical impacts associated with constructions of a new fire station. As such, this impact would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

ii. Police Protection

As identified in the THSP SEIR, development of the THSP would include construction of a new police substation located closer to the THSP than the current primary station. As determined in the THSP SEIR, buildout of the THSP would not exceed the City's planned growth level, additional service population was already accounted for in the Citywide Public Safety Master Plan, and would not require additional law enforcement facilities beyond what has been planned. Additionally, individual development projects under the THSP would be required to pay the applicable impact fees, which ensure payment of a proportionate share towards the planned facilities. As a result, development within the THSP Project Area would not exceed the maximum dwelling units or non-residential square footage previously approved in 2016, or the maximum dwelling units square footage contemplated by the City's General Plan. Law enforcement needs would not be altered by implementation of the THSP with implementation of Mitigation Measures PSR 4.12-4a and 4.12-5b. Implementation of Mitigation Measures PSR 4.12-4a and 4.12-5b would reduce potential impacts on fire protection to a less than significant level.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure PSR 4.12-4a:*** *The Project applicant of individual projects within the THSP Project Area shall consult with the Police Department during preliminary stages of site design to review safety features, determine their adequacy, and suggest design and/or physical improvements to the proposed site plan. This is achieved through the City's development review process, which currently is coordinated with various City Departments' review of new development proposals. [This is Mitigation Measure 4.12-4a in the THSP SEIR]*
>
> ***Mitigation Measure PSR 4.12-5b:*** *As part of the application process for each individual development under the Specific Plan, the Project applicant shall be required to pay the applicable development impact fees. [This is Mitigation Measure 4.12-5b in the THSP SEIR]*

As discussed above, the increase of 66 dwelling units from implementation of the proposed Project would result in 216 new residents that were not considered in the THSP SEIR. The THSP SIER noted that the Citywide Public Safety Master Plan proposes the construction of a new police substation located closer to the THSP Area than the current primary police station; however, the new substation would not be associated with the THSP. As discussed in the Section XIII, Population and Housing, the additional 66 dwelling units associated with implementation of the proposed Project would be within the maximum of 750 units allowed by GMO. Therefore, growth associated with the Project would not exceed the growth planned for the THSP Area in the 2011 General Plan. The proposed Project, with implementation of the mitigation measures identified above, would not result in the need to construct additional police stations, beyond those identified in the THSP SEIR. Given that no additional police stations would be required to serve the proposed Project, beyond those identified in the THSP, the proposed Project would not create substantial adverse physical impacts associated with construction of a new police station. As such, this impact would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

iii. Schools

As identified in the THSP SEIR, implementation of the THSP could substantially increase the population of school children in the City of Tracy, requiring construction of new facilities or modification of existing facilities to accommodate the growth of the student body. Development of the THSP Area was estimated to generate 3,520 new students in grades K–8. As discussed in the THSP SEIR, three elementary schools (K-8) were proposed throughout the THSP Area. The final number and locations of the schools will be determined in accordance with the Jefferson School District Facilities Master Plan as the THSP is built out. Implementation of the approved THSP would generate a maximum of 5,689dwelling units. The Jefferson School District uses an elementary student generation factor of 0.44 grade K-5 students per dwelling unit, 0.2 grade 6-8 students per dwelling unit, and 0.3 grade 9-12 students per dwelling unit to estimate

projected student population.[15] Based on these generation rates, 2,2503 grade K-5 and 1,138 grade 6-8 students would be generated by the buildout of the proposed residential land uses in the THSP SEIR. As discussed in the THSP SEIR, Jefferson School District schools are operating near or above capacity and the student enrollment generated by the THSP would exceed current school district capacity. Each individual development application would be subject to the requirement to pay applicable impact fee in accordance with SB 50 or pay applicable fee subject to school mitigation agreements with the Tracy Unified School District and Jefferson School District. Under Section 65996 of the California Government Code, the payment of such fees is deemed to fully mitigate the impacts of new development on school facilities. Therefore, THSP impacts in this regard were determined to be less than significant.

The 66 additional dwelling units allowed by the Project would result in 216 new residents that were not considered in the THSP SEIR. Using the generation rates from THSP SEIR, an increase of 29 grade K-5, 13 grade 6-8 students, and 20 grade 9-12 students and would be generated by the proposed Project. As discussed in the THSP SEIR, the final number of schools and locations of the schools would be determined in accordance with the Jefferson School District Facilities Master Plan as the THSP is built out. Furthermore, each individual development application, including the proposed Project, would be subject to the requirement to pay the applicable impact fee in accordance with SB 50. Under Section 65996 of the California Government Code, the payment of such fees is deemed to fully mitigate the impacts of new development on school facilities. Given that the THSP SEIR did not identify the total number or location of schools to be constructed to accommodate the THSP-associated growth, and that the proposed Project would pay the applicable impact fees, new students associated with the proposed Project could potentially be accommodated in the schools that would have been planned for the rest of the approved THSP. In such a case, no new schools would need to be constructed, beyond those identified in the THSP SEIR, and as such no physical impacts associated with constructing additional schools would occur. Therefore, this impact would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

iv-v. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered parks and other recreational facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios or other performance objectives?

Threshold (b) 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?

Threshold (c) 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?

[15] THSP Draft EIR, page 4.12-38

As identified in the THSP SEIR, development of the THSP would include up to three acres of neighborhood park land or one acre of community park land per 1,000 population. Neighborhood and community parks which would be distributed throughout the residential areas. Active play and sports parks proposed by the THSP may feature play fields, ball fields, children play areas, picnic areas, tennis courts, and open lawns. Park features may be interconnected by nature walks and bikeways within the greenways and parkways. The THSP SEIR determined that new residents in the THSP would use the new parks within the THSP more than the City's existing facilities given proximity to their neighborhoods, condition of the new facilities and the ability to walk or bicycle to many of the parks. Therefore, implementation of the THSP would result in a less than significant impact with regard to the substantial physical deterioration of existing facilities.

As discussed above, the increase of 66 dwelling units from Project implementation would result in 216 new residents that were not considered in the THSP SEIR. The THSP stated that, "each tentative subdivision map shall either include adequate neighborhood park land to bring the total neighborhood park land within the tentative map approved portion of the Specific Plan to three acres per 1,000 population, or the developer shall demonstrate how future tentative map areas of the Specific Plan will include park land to achieve the minimum three acres per 1,000 population requirement, and otherwise comply with the Parks Master Plan."[16] The Project would be required to meet the parkland goals and comply with the Parks Master Plan, or pay development impact fees for recreational facilities. The slight increase in new residents from the proposed Project would be considered a less than significant impact. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (d) Would the project exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?

The City of Tracy provides wastewater services throughout the City and the THSP Area. Impacts to wastewater treatment requirements were analyzed in the previously certified THSP SEIR for buildout of the THSP Area. As described in the previously certified THSP SEIR, the City's Waste Water Treatment Plant releases effluent into the Old River, therefore the City is subject to NPDES permitting requirements, as implemented by the RWQCB. To accommodate future planned growth, including the buildout of the THSP Area, the City plans to implement a wastewater treatment system upgrade in accordance with the Wastewater Master Plan (WWMP) and as evaluated in the related environmental documentation.

Since buildout of the proposed Project would be utilizing the City's wastewater treatment facilities, anticipated wastewater generated by the increase of proposed residential land uses in the proposed Project would not be expected to result in an exceedance of any wastewater treatment requirements of the applicable RWQCB any greater than previously analyzed in the THSP SEIR. Therefore, impacts would be considered less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that

[16] THSP, page 2-19

was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (e) Would the project 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?

The City of Tracy provides water and wastewater services throughout the City and the THSP Area. Impacts to existing water and wastewater treatment facilities were analyzed in the previously certified THSP SEIR for buildout of the THSP Area. Although buildout of the THSP Area would require new water facilities and would eventually require the construction of additional wastewater conveyance and wastewater treatment facilities, the environmental impacts that may result from the construction of these facilities were evaluated and mitigated through the environmental review process for the adoption of the City's Water System Master Plan (WSMP) and the Wastewater Master Plan (WWMP). According to the THSP SEIR, because implementation of the THSP would require the construction of yet-to-be-built WSMP facilities and may require the construction of certain interim improvements pending completion of WSMP improvements, the THSP would have potentially significant impacts. With implementation of Mitigation Measures 4.12-7a and 4.12-8b, impacts would be reduced to a less than significant impact.

The following mitigation measures incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure PSR 4.12-7a:*** *As part of the development process for each individual site-specific development under the Specific Plan, the City shall review flow monitoring, at the applicant's cost, to determine available capacity. If the City determines, based on technical and legal constraints and other relevant data, that existing capacity is available to serve the development at issue, then no further mitigation is required. However, if the City determines, based on technical and legal constraints and other relevant data, that existing capacity is not available to serve the development at issue, then the improvements as identified in the Master Plan must be constructed that are necessary to create the additional capacity required, subject to any applicable credit and/or reimbursement provisions, as determined by the City. [This is Mitigation Measure 4.12-7a in the THSP SEIR]*
>
> ***Mitigation Measure PSR 4.12-8b:*** *As part of the development process for each individual site-specific development under the Specific Plan, the applicant shall pay its applicable development impact fees for wastewater facilities prior to issuance of first certificate of occupancy. [This is Mitigation Measure 4.12-8b in the THSP SEIR]*

Future development that may occur under the proposed Project would be located within the same footprint of the THSP Area. As discussed in the THSP SEIR, the City plans to implement a wastewater treatment system upgrade as outlined in the WWMP. Because future development that may occur under the proposed Project would be located in the same footprint of the THSP, these future developments would also be serviced by the wastewater treatment system upgrades. With implementation of the above mitigation measures, the proposed Project's impact on new water or wastewater facilities would be less

than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (f) Would the project 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?

As discussed in Section IX (Hydrology and Water Quality) and the THSP SEIR, the construction of new stormwater drainage facilities or expansion of existing facilities would be required for buildout of the THSP Area as well as individual development projects. The storm drainage infrastructure within the THSP Area would incorporate terminal retention basins as the means of managing runoff from new development via storage and percolation. These basins are depicted in *Figure 4.9-4* of the THSP SEIR. As discussed in the THSP SEIR, storm water runoff generated by buildout of the THSP would be self-contained and would not utilize any existing downstream City storm drainage facilities. The drainage improvements discussed in the THSP SEIR would accommodate projected runoff from the THSP Area. Thus, implementation of the THSP would not exceed the capacity of the proposed stormwater drainage system.

As discussed in Section IX, Hydrology and Water Quality, development of the proposed Project would not increase the amount of impervious surfaces because the proposed Project would increase development density as compared to what was previously analyzed in the THSP SEIR. However, because changes proposed as part of the proposed Project would be located within the same footprint as what was previously analyzed in the THSP SEIR, storm water runoff generated by implementation of the proposed Project would be self-contained and would not utilize any existing downstream City storm drainage facilities any greater than previously analyzed in the THSP SEIR. Implementation of the proposed Project would not require new stormwater drainage facilities, the construction of which would cause significant environmental effects. This would not be a new specific impact or a substantial increase in the severity of an impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (g) Would the project have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?

As described in the Water Supply Assessment (WSA) conducted for the previously certified THSP SEIR, the THSP Area would be served by the City from its existing and future portfolio of water supplies. The WSA conducted for the THSP Area concluded that the City's existing and planned water supplies would be sufficient to meet the water demand for any hydrologic conditions to the year 2035. No water supply shortages are anticipated for any hydrologic conditions based on Year 2035 water demands. As determined in the THSP SEIR, for all hydrologic conditions, the City's existing and additional water supplies are sufficient to meet the City's Year 2035 water demands. Thus, implementation of the THSP would be of a less than significant level regarding water supply.

According to the THSP WSA, medium density residential in the THSP Area would have a potable water demand of 310 gallons per day per dwelling unit (gpd/du). Project implementation would introduce 66

additional MDR dwelling units, resulting in a water demand of 20,460 gpd. The THSP SEIR analyzed XX dwelling units on the Project site, which resulted in a water demand of XX gpd. While the proposed Project has a greater water demand than analyzed for the Project site in the THSP, there is a net change of XX gpd (XX percent). Therefore, Project implementation would have a similar water demand as analyzed In the THSP SEIR. Further, as determined in the WSA for the THSP SEIR, there are sufficient capacities to meet water demand for the THSP Area.

The City is currently under contract with the United States Bureau of Reclamation (USBR) for the delivery of water to the City from the Central Valley Project (CVP). The City's current contract, an Interim Renewal Contract, is effective January 1, 2014 through February 29, 2016 and includes up to 20,000 af/yr of water supplies. This contract amount includes the initial 10,000 af/yr from the City's initial contract with the USBR (entered into in 1974), 7,500 af/yr from approved assignments from Banta Carbona Irrigation District (BCID) and West Side Irrigation District (WSID), and 2,500 af/yr from an additional assignment from WSID which was exercised in December 2013.

Regarding groundwater, according to the THSP SEIR, a 2,300 af/yr increase of the average annual operational groundwater yield above the groundwater yield recommended in the 1990 Kennedy/Jenks/Chilton study (6,700 af/yr) could be provided within the estimated sustainable yield of the Tracy Sub-basin in the City, without adverse impact to groundwater resources or quality in the City over a 50-year timeframe. This expansion of groundwater usage to 9,000 af/yr would be within the City's estimated share of the aquifer's sustainable yield of 22,000 af/yr of the 28,000 acre feet/year total (which includes groundwater usage within WSID, Naglee-Burk Irrigation District, Plain View Water District (now part of the Byron Bethany Irrigation District), and BCID).Groundwater Management Policy was adopted by the City in 2001 to establish a maximum annual groundwater extraction rate of 9,000 af/yr.

The proposed Project would result in an increase of net potable water demand of 23 af/yr from the proposed Project, more than previously analyzed in the THSP SEIR. However, the City has sufficient supply to serve the additional units and the 23 af/yr represents a nominal percent increase compared to the available groundwater yields. Therefore, the City would have sufficient water supplies to serve the proposed Project. This impact would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (h) Would the project result in a determination by the wastewater treatment provider which 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?

As explained in Threshold (e), the City of Tracy would provide wastewater services to the THSP Area. Buildout of the THSP Area would eventually require the construction of additional wastewater conveyance and wastewater treatment facilities, but not as a result of implementation of THSP Area solely. Environmental impacts that may result from the construction of these facilities were evaluated and

mitigated through the environmental review process for the adoption of the City's Wastewater Master Plan (WWMP)[17].

To avoid impacts associated with wastewater treatment, the THSP SEIR required that the THSP pay appropriate development impact fees. Payment of these development impact fees was determined to reduce this potentially significant impact to a less than significant level.

Future development that may occur under the proposed Project would be located within the same footprint of the THSP Area. As discussed in the THSP SEIR, the City plans to implement a wastewater treatment system upgrade as outlined in the WWMP. Since the proposed Project would fall within the same footprint of the THSP, future developments in the City's wastewater treatment system upgrades would serve the Project site.

The proposed Project would pay the appropriate development impact fees and coordinate with the City to ensure that the City's future wastewater treatment capacity is adequate to service the proposed Project. Regardless of any additional demand on the City's wastewater treatment provided caused by the proposed Project, payment of development impact fees would ensure this impact is less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Threshold (i) Would the project be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?

The THSP Area would be served by the Foothill Sanitary Landfill, which has sufficient capacity to serve the City of Tracy through the year 2082. As determined in the THSP SEIR, the buildout of the THSP Area is considered a small addition to the overall tons per day the City of Tracy currently generates.[18] For these reasons, solid waste disposal needs from implementation of the THSP can be met and existing landfill and associated impacts are less than significant.

While Project implementation would increase the number of dwelling units in the THSP Area, future development under the proposed Project would be located in the same footprint of the THSP. Therefore, solid waste generated by these future developments would be sent to the same Foothill Sanitary Landfill.

Based upon the current generation factor of 7.52 pounds per person per day (the residential, commercial, industrial average), the proposed Project would result in an additional 1,624 pounds of solid waste per day, or 0.81 tons.[19] The THSP SEIR assumed approximately 54 tons of solid waste generated per day. Given the small addition to the overall tons the THSP and the City of Tracy currently generates, the landfill would have capacity to serve the proposed Project and this impact would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

[17] THSP Draft EIR, page 4.12-44
[18] THSP Draft EIR, page 4.12-47
[19] [216 people] * [7.52 lbs waste/person/day] = [1,624 lbs waste/day]

Threshold (j) Would the project comply with federal, state, and local statutes and regulations related to solid waste?

The City of Tracy has implemented 43 waste diversion programs and is currently exceeding its State residential disposal rate target by over 50 percent. [20] The THSP SEIR determined that the waste diversion programs, together with adherence to the CALGreen Code, are sufficient to ensure that implementation of the THSP would comply with applicable statutes and regulations and the impact was found to be less than significant.

Similar to the THSP, the proposed Project would comply with applicable statutes and regulations, including the City's waste diversion programs and the CALGreen Code, and the impact would be less than significant. This is consistent with the impact conclusions of the THSP SEIR. No new specific impact would result, nor would it be a substantial increase in the severity of the impact that was identified in the THSP SEIR and would therefore be consistent with the effects of implementation of the THSP.

Cumulative Impacts

As discussed above, the proposed Project would not cause a new public services, recreation, or utilities impact to occur, nor an increase in the severity of any public services, recreation, or utilities impacts previously disclosed in the THSP SEIR, with implementation of the mitigation measures discussed in this section. Therefore, the proposed Project would not cause either a new cumulative impact to occur, nor a substantial increase in the severity of a cumulative impact previously disclosed.

[20] THSP Draft EIR, page 4.15-45

XV. TRANSPORTATION/TRAFFIC

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒
d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☐	☐	☒
e. Result in inadequate emergency access?	☐	☐	☐	☐	☒
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?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

A Traffic Study was prepared by Kimley-Horn and Associates, Inc. (July 2020) for the proposed Project to evaluate whether the proposed Project would generate more traffic than what was evaluated in the previously certified THSP SEIR. The results of the traffic analysis are summarized herein and address existing traffic conditions in the surrounding area, estimated Project trip generation and distribution, future traffic growth, and an assessment of the Project-related impacts on the roadway system.

Project Trip Generation

The number of project trips anticipated to be generated by the proposed Project was calculated using the adopted trip generation rates in the THSP SEIR and the ITE Trip Generation Manual. The trip generation

for the proposed land use changes were calculated using the ITE land use codes for Low/Mid Density Residential.

The trip generation calculation included a comparison between the previously certified THSP SEIR buildout trips, the latest approved THSP Amendment for the KT Project (approved by City Council on May 19, 2020),[21] and the proposed Project buildout trips. This comparison is provided below in Table 3: Trip Generation Comparison. The total trips generated for the approved THSP is 7,831 (3,947 IN / 3,884 OUT) a.m. peak hour trips and 14,064 (7,048 IN / 7,016 OUT) p.m. peak hour trips. The total trips generated for the previously approved THSP with the May 2020 KT Project Amendment (herein referred to as "KT Project") is 6,771 (3,250 IN / 3,521 OUT) a.m. peak hour trips and 12,145 (6,158 IN / 5,987 OUT) p.m. peak hour trips. The proposed Project is anticipated to generate 6,807 (3,259 IN / 3548 OUT) a.m. peak hour trips and 12,215 (6,202 IN / 6,013 OUT) p.m. peak hour trips.

Approval of the KT Project created an overall decrease of approximately 1,060 (-697 IN / -363 OUT) a.m. peak hour trips and decrease of approximately 1,921 (-892 IN/ -1,029 OUT) p.m. peak hour trips as compared to the previously approved THSP.

The proposed Project would increase the a.m. peak hour trips by approximately 36 trips (9 IM / 27 OUT), and the p.m. peak hour trips would increase by approximately 70 trips (44 IN / 26 OUT), as compared to the originally approved THSP. However, the May 2020 KT Project created a large deficit of trips, as compared to the originally approved THSP. While the proposed Project would increase trip generation as compared to what was considered for the Project site in the originally approved THSP, the total number of vehicle trips for the entire THSP buildout would remain substantially less than the originally approved trip generation for the THSP SEIR analysis.

[21] The trip generation calculation includes the approved KT Project to account for slight modifications made by the same project applicant.

Table 3: Trip Generation

Trip Generation Rates	ITE Land Use Code/Reference	Units		Weekday AM				Weekday PM			
				Rate	IN	/	OUT	Rate	IN	/	OUT
Low/Mid Density Residential & Residential Estate	Model	No. of Dwelling Units		0.55	25%	/	75%	1.05	63%	/	37%
High Density Residential	Model	No. of Dwelling Units		0.31	20%	/	80%	0.59	65%	/	35%
Retail	Model	Employees		1.9	62%	/	38%	3.46	48%	/	52%
Office	Model	Employees		0.22	88%	/	12%	0.42	17%	/	83%
Other (Industrial/Warehousing)	Model	Employees		0.17	79%	/	21%	0.33	25%	/	75%
School	ITE (520 & 530)	School		0.48	55%	/	45%	0.15	49%	/	51%
Original Approved Specific Plan											
Trip Generation Rates	Square Feet	Units		Weekday AM				Weekday PM			
				Total	IN	/	OUT	Total	IN	/	OUT
Low/Mid Density Residential & Residential Estate	-	5,374	No. of Dwelling Units	2,956	739	/	2,217	5,643	3,555	/	2,088
High Density Residential	-	125	No. of Dwelling Units	39	8	/	31	74	48	/	26
Retail	758,944	1,751	Employees	3,327	2,063	/	1,264	6,058	2,908	/	3,150
Office	1,562,933	1,872	Employees	412	363	/	49	786	134	/	652
Other (Industrial/Warehousing)	3,360,654	4,197	Employees	713	563	/	150	1,385	346	/	1,039
School	-	800	Students	384	211	/	173	120	59	/	61
			Total Trips	**7,831**	**3,947**	**/**	**3,884**	**14,066**	**7,050**	**/**	**7,016**
Specific Plan with KT Approved (February 2020)											
Trip Generation Rates	Square Feet	Units		Weekday AM				Weekday PM			
				Total	IN	/	OUT	Total	IN	/	OUT
Low/Mid Density Residential & Residential Estate	-	***5,565*** [1,2]	***No. of Dwelling Units***	***3,061***	***765***	**/**	***2,296***	***5,843***	***3,681***	**/**	***2,162***
High Density Residential	-	125	No. of Dwelling Units	39	8	/	31	74	48	/	26
Retail	***493,186*** [3]	***1,138*** [1,2]	***Employees***	***2,162***	***1,340***	**/**	***822***	***3,937***	***1,890***	**/**	***2,047***
Office	1,562,933	1,872	Employees	412	363	/	49	786	134	/	652
Other (Industrial/Warehousing)	3,360,654	4,197	Employees	713	563	/	150	1,385	346	/	1,039
School	-	800	Students	384	211	/	173	120	59	/	61
			Total Trips	**6,771**	**3,250**	**/**	**3,521**	**12,145**	**6,158**	**/**	**5,987**
			Net New Trips	**-1,060**	**-697**	**/**	**-363**	**-1,921**	**-892**	**/**	**-1,029**
Specific Plan with Project											
Trip Generation Rates	Square Feet	Units		Weekday AM				Weekday PM			
				Total	IN	/	OUT	Total	IN	/	OUT
Low/Mid Density Residential & Residential Estate	-	***5,631*** [1,3]	***No. of Dwelling Units***	***3,097***	***774***	**/**	***2,323***	***5,913***	***3,725***	**/**	***2,188***
High Density Residential	-	125	No. of Dwelling Units	39	8	/	31	74	48	/	26
Retail	493,186	1,138	Employees	2,162	1,340	/	822	3,937	1,890	/	2,047
Office	1,562,933	1,872	Employees	412	363	/	49	786	134	/	652
Other (Industrial/Warehousing)	3,360,654	4,197	Employees	713	563	/	150	1,385	346	/	1,039
School	-	800	Students	384	211	/	173	120	59	/	61
			Total Village 6B Trips	**6,807**	**3,259**	**/**	**3,548**	**12,215**	**6,202**	**/**	**6,013**
			Net New Trips (Original Approved Specific Plan)	**-1,024**	**-688**	**/**	**-336**	**-1,851**	**-848**	**/**	**-1,003**
			Net New Trips (Specific Plan with KT Approved)	**36**	**9**	**/**	**27**	**70**	**44**	**/**	**26**

Notes:

DU = Dwelling Units, Emp. = Employees

1. Proposed changes are shown in BOLD
2. Project changes are consistent with the Tracy Hills KT Project, approved May, 2020.
3. Village 7C changes include an additional 66 homes in Phase 1A.

Source: Kimley-Horn, July 2020

Threshold (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?

The traffic impact analysis prepared for THSP SEIR identified that buildout of the Project would require significant improvements to Corral Hollow Road and require the construction of Lammers Road as defined in the City's Traffic Management Plan (TMP) to facilitate full development of the THSP. This is due to the unique location of the THSP Area, magnitude of the THSP, and access to I-580 at the Corral Hollow Road interchange and the proposed Lammers Road interchange. Both these interchanges are included in the TMP and the City is currently collecting traffic impact fees (TIFs) and seeking grant funding to implement the planned improvements. The THSP SEIR previously concluded that if, at the time interchange improvements are required to provide adequate capacity to mitigate the project impacts, the City does not have sufficient funds for implementation, the Project Applicant may be required to fund the improvements upfront and enter into a reimbursement agreement with the City or receive a TIF credit.

A trigger analysis was performed to see to what extent the THSP can be developed with TMP identified improvements at the Corral Hollow interchange for 2035 conditions. The analysis indicated an approximate equivalent number of single-family dwelling units of 2,536 that can be built, at which point, the operational degradation along Corral Hollow would merit the construction of Lammers Road and the I-580 interchange or result in major improvements to the Corral Hollow interchange. Table 4.13-21 of the THSP SEIR identified buildout of the THSP would result in increased V/C ratios to greater than 0.89 at some locations. Impacts were found to be significant and unavoidable. As identified in the THSP SEIR, implementation of Mitigation Measure 4.13-7b would reduce impacts related to overcapacity traffic conditions but would still remain significant and unavoidable because the City cannot control the timing of the improvements as they fall outside of their immediate control.

The following mitigation measure incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure TRANS 4.13-7b****: The Applicant shall pay the applicable City TIF, County TIF, SJCOG RTF, the JPA TIF, and any other applicable transportation fees that may be in place when individual projects are processed under the THSP in accordance with applicable laws and regulations. [This is Mitigation Measure 4.13-7b in the THSP SEIR]*

As shown in Table 4, the THSP SEIR considered 7,831 daily AM trips and 14,066 daily PM trips within the THSP area. In May 2020, the City approved the KT Project, which resulted in a net decrease of vehicle trips within the THSP area, as compared to the THSP SEIR. The proposed Project would generate more daily vehicle trips than what was considered for the previously approved THSP[22], however, none of the identified intersection improvements in Table 4.13-68 of the THSP SEIR are anticipated to change nor are any new mitigation measures required for Project implementation. Under cumulative conditions, Project

[22] For the purpose of this analysis, the 'previously approved THSP' includes the THSP KT approval (May, 2020)

implementation would generate more trips in both the a.m. and p.m. peak hours compared to the previously approved THSP. The Project Applicant would still be required to pay the applicable transportation fees as identified in Mitigation Measure TRANS 4.13-7b. In addition, the Project Applicant would be required to provide access to the Project site consistent with city standards and the City of Tracy TMP in effect at the time of Project approval. With implementation of Mitigation Measure TRANS 4.13-7b, impacts would not be any greater than previously analyzed in the THSP SEIR. Thus, the proposed Project would cause neither a new impact to occur, nor a substantial increase in the severity of an impact previously disclosed.

Threshold (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?

As identified in the previously certified THSP SEIR, the THSP complies with the San Joaquin Congestion Management Program (CMP) and the CMP LOS standard of D or better is maintained on all the CMP routes as identified in Tables 4.13-48 and 4.13-49 in the THSP SEIR. The THSP includes a range of travel demand management (TDM) strategies that are consistent with those identified in the City's station area plans of the General Plan and the San Joaquin Council of Governments (SJCOG) TDM goals. As such, the THSP SEIR concluded that no impacts would result from implementation of the THSP.

Implementation of the proposed Project would not result in a conflict with an applicable CMP or travel demand measure as the proposed Project would generate more trips in both AM and PM peak hours compared to the previously approved THSP, however, Project implementation would not impact previously identified intersection improvements or mitigation measures. Thus, the proposed changes would not result in conflict with an applicable CMP or TDM strategies any greater than previously analyzed in the THSP SEIR.

Threshold (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?

The proposed Project does not include any aviation components or structures where height would be an aviation concern. Additionally, no substantial new air traffic would be generated at the local airports in San Joaquin County as a result of the proposed Project. No associated traffic impacts would occur.

Threshold (d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

As discussed in the previously certified THSP SEIR, the City reviews each development project, and would require conformance with City standards in terms of driveway design and location, traffic controls, and other traffic engineering requirements. Since roadway and intersection designs would be required to meet the City of Tracy roadway design criteria requirements, hazard impacts are considered less than significant. The proposed Project roadway system, including facilities for vehicles (autos, trucks and buses), bicyclists and pedestrians, would also be required to be designed in conformance with the City of Tracy Transportation Master Plan, including all design guidelines contained therein, as well as in

conformance with the City's standard plans. With conformance with the City standards in terms of driveway design and location, traffic controls, and other traffic engineering requirements, the proposed Project's impact on design features would be less-than-significant. This determination of less than significant impact is supported by the previously certified SEIR prepared for the THSP. The proposed Project would cause neither a new impact to occur, nor an increase in the severity of an impact previously disclosed.

Threshold (e) Result in inadequate emergency access?

The previously certified SEIR prepared for the THSP indicated that emergency access during buildout conditions would be significant and unavoidable as a result of future traffic congestion resulting from THSP implementation. Mitigation measures were assigned to the THSP to reduce the severity of impacts to emergency access. Therefore, Project-specific emergency access impacts are considered less than significant. This determination of less than significant impact is supported by the previously certified SEIR prepared for the THSP. The proposed Project would cause neither a new impact to occur, nor an increase in the severity of an impact previously disclosed. As such, no further analysis is required.

Threshold (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?

As discussed in the THSP, Project applicants are required to work cooperatively with the City to modify and expand transit routes and pedestrian facilities as necessary and when feasible to efficiently accommodate demand. Projected transit route extensions were identified at the time of THSP adoption and future bus stop locations would be determined at the time of Tentative Subdivision Map approval.

The THSP includes design guidelines and elements to promote pedestrian circulation by creating pathways, linkages, and visual connections between buildings; and by including multiple connections to public sidewalks and pathways between buildings and areas throughout the THSP Area to foster connectivity. As discussed in the THSP SEIR, implementation of the THSP Project would result in potentially significant impacts to bicycle and pedestrian modes when developed. The THSP Area would include pedestrian and bicycle facilities internal to the THSP Area and that connect to the existing pedestrian system via street frontage improvements that include sidewalks and bicycle paths. Impacts were found to be less-than-significant. As identified in the THSP SEIR, implementation of Mitigation Measure 4.13-2 would require compliance with Policy P4 and P6 under General Plan Policy CIR-3 so that the bicycle and pedestrian improvement connections would connect from the THSP to the Citywide Network. However, impacts were still found to be significant and unavoidable.

The following mitigation measure incorporated herein from the previously certified THSP SEIR are applicable to the proposed Project:

> ***Mitigation Measure TRANS 4.13-2:*** To achieve compliance with CIR-3 Policy P4 and P6, the bicycle and pedestrian improvement connections from the THSP to the Citywide Network shall be implemented when the roadway infrastructure is required as determined at approval of each final map or issuance of building permits by the City Engineer. The pedestrian and bicycle facilities are

included in the City of Tracy's typical cross sections and in the City TIF. Bicycle and pedestrian facilities within the THSP area shall be implemented with each building permit application/final map approval. Widening Corral Hollow Road and constructing and widening Lammers Road shall be in place when the project generates 2,588 AM peak hour trips. *[This is Mitigation Measure 4.13-2 in the THSP SEIR]*

An approximate equivalent number of 2,536 single family dwelling units (equivalent to 2,588 AM peak hour vehicle trips, as referenced in Mitigation Measure 4.13-2) can be built before improvements detailed in Mitigation Measure 4.13-2 along Corral Hollow Road or Lammers Road would be required. The Project would result in the construction of less than 2,536 dwelling units, and would therefore not trigger the improvements noted in Mitigation Measure 4.13-2. However, the proposed Project would still be required to achieve compliance with CIR-3 Policy P4 and P6 to improve bicycle and pedestrian improvement connections from THSP to the Citywide Network when the road infrastructure is required as determined at approval of each final map or issuance of building permits by the City Engineer. Thus, the proposed Project would not conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities any greater than already analyzed in the THSP SEIR. The proposed Project's impact would be less than previously analyzed in the THSP SEIR, however buildout of THSP would still remain significant and unavoidable in this regard.

Cumulative Impacts

Under Cumulative Conditions the City of Tracy Transportation Master Plan (TMP) Roadway improvements are assumed to be in place. The Trip Generation results in Table 3: Trip Generation indicate cumulative conditions consistency between the proposed Project and the THSP SEIR. Project applicants would also pay the City of Tracy Traffic Impact Fees to fund the Cumulative Improvements identified in the City Transportation Master Plan to offset potential cumulative impacts.

Project applicants would also be required to implement the Mitigation Measures identified above from the certified THSP SEIR. Cumulative Project impacts would be considered Significant and Unavoidable since the proposed Project would contribute to the cumulative significant and unavoidable impacts previously identified in the THSP SEIR. Additional environmental review is not required since this impact was addressed and would not exacerbate the previously identified impacts in the THSP SEIR.

XIX. MANDATORY FINDINGS OF SIGNIFICANCE

WOULD THE PROJECT:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact	Reviewed Under Previous Document
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?	☐	☐	☐	☐	☒
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)?	☐	☐	☐	☐	☒
c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	☐	☐	☒

RESPONSES TO CHECKLIST QUESTIONS

a – c. As described throughout the analysis above, the proposed Project would not result in any significant impacts to the environment that cannot be mitigated to a less than significant level through the application of uniformly applied development policies and/or standards that were not already anticipated in the THSP SEIR. The proposed Project is required to implement a range of standard and uniformly applied development policies and standards, as well as any previously identified mitigation measures, all of which are identified in the previously certified THSP SEIR, which would reduce the majority of potentially significant impacts to a less than significant level. The cumulative impacts associated with development of the proposed Project were considered and found not to be cumulatively considerable. Further, cumulative impacts of the proposed Project would be consistent with those analyzed and disclosed in the previously certified THSP SEIR. The proposed Project would not result in any cumulative impacts that were not contemplated in the previously certified THSP SEIR. The proposed Project would not result in any peculiar site-specific impacts, impacts to biological resources or impacts to cultural and/or historical resources that were not contemplated in the previously certified THSP SEIR. The proposed Project would cause neither a new impact to occur, nor a substantial increase in the severity of an impact previously disclosed.

DETERMINATION OF APPROPRIATE CEQA DOCUMENTATION

Section 15162(a) of the CEQA Guidelines states the following:

Section 15162 – Subsequent EIRs and Negative Declarations

(a) When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one of more of the following:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:

(A) The project will have one or more significant environmental effects not discussed in the previous EIR or negative declaration;

(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR.

(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Based on the preceding evaluation, the City has determined that (a) none of the conditions described in Section 15162(a) have occurred or will occur with approval of the proposed Project, and (b) no changes or additions are required to the certified THSP SEIR. Because no changes or additions are required to the THSP SEIR, an addendum to the THSP SEIR is not necessary. And based on the foregoing determinations, pursuant to Section 15168(c)(2) of the CEQA Guidelines, the City can approve the proposed Project as within the scope of the development program evaluated in the THSP SEIR and no further environmental document is required.

This document provides substantial evidence for City of Tracy records to support its approval of the Project pursuant to Section 15168(c)(2) of the CEQA Guidelines.

CONCLUSION

This Initial Study has been prepared in accordance with the provisions of the State CEQA Guidelines to document the finding that none of the conditions or circumstances that would require preparation of a subsequent EIR, pursuant to Sections 15162 and 15168 of the State CEQA Guidelines, exist in connection with the proposed Amendment. No revisions are required to the Tracy Hills Specific Plan SEIR prepared for the City of Tracy as a result of the proposed Specific Plan Amendment. No new significant environmental impacts have been identified. Since the certification of the THSP SEIR, there has been no new information showing that mitigation measures or alternatives once considered infeasible are now feasible or showing that there are feasible new mitigation measures or alternatives substantially different from those analyzed in the EIR that the City declined to adopt. Project implementation would not create significant environmental effects or create a substantial increase in the severity of previously identified significant effects. Therefore, pursuant to Section 15168(c)(2), the City can approve the Project as within the scope of the development program evaluated in the THSP SEIR and no further environmental document is required. This document will be maintained in the administrative record files at City of Tracy City Hall.

Attachment A

Tracy Hills Phase 1A Village 7C Traffic Study

Kimley»Horn

MEMORANDUM

From: Frederik Venter, P.E. and Colin Ogilvie | Kimley-Horn and Associates

To: Robert Armijo, P.E. | City of Tracy

Date: September 16, 2020

Re: **Tracy Hills Village 7C Traffic Study**

1. Executive Summary

This memorandum provides a review of the proposed lot changes in Tracy Hills Phase 1A Village 7C that will increase the number of homes by 66 compared to previous traffic study assumptions.

It was determined that the addition of 66 homes in Village 7C will not trigger new near-term intersection deficiencies or Tracy Hills Specific Plan CEQA impacts.

2. Introduction

Village 7C is located in the northwest portion of the Tracy Hills Phase 1A development and the applicant is proposing lot changes that will increase the number of homes by 66.

This report determines if the proposed increase will trigger deficiencies to the surrounding road network for near-term conditions. In addition, this report compares the specific plan cumulative CEQA trip generation to the cumulative trip generation for the new the lot changes.

3. Methodology

Scenarios

The following scenarios were studied for this analysis:

- Near-Term Conditions (Base Condition) - 2025 volumes plus background projects. This is consistent with the *Tracy Hills KT Vesting Tentative Map Review Memorandum* dated February 25, 2020.
- Near-Term Plus Project – 2025 volumes plus background projects plus the proposed additional 66 dwelling units in Village 7C (Project)
- Tracy Hills Specific Plan Buildout

Near-Term Study Intersections:

The following intersections were studied for this analysis:

2. Corral Hollow Road & Tracy Hills Drive
8. Corral Hollow Road & I-580 Westbound Ramps
9. Corral Hollow Road & I-580 Eastbound Ramps
10. Corral Hollow Road & Linne Road

These study intersections correspond to the *Tracy Hills KT Vesting Tentative Map Review Memorandum*. Intersections missing from this study are specific to the KT development and were not analyzed for this memorandum.

Near-Term volumes are 2019 traffic counts grown to 2025 using the Tracy Transportation Management Plan (TMP) growth rates. This represents "opening day".

4. Near-Term Conditions

Near-Term Conditions serve as the base condition analysis scenario. This LOS results from this scenario was taken from the *Tracy Hills KT Vesting Tentative Map Review Memorandum* dated February 25, 2020.

Figure 1 provides a map of the study intersections used for this study. **Figure 2** provides the traffic control and geometry. **Figure 3** provides the peak hour volumes for the Near-Term Plus Phase 1A Plus KT scenario.

Background Projects

- **Phase 1A** – 1137 low/mid density residential dwelling units and no business park
- **KT Approved** – 185 low/mid density residential dwelling units

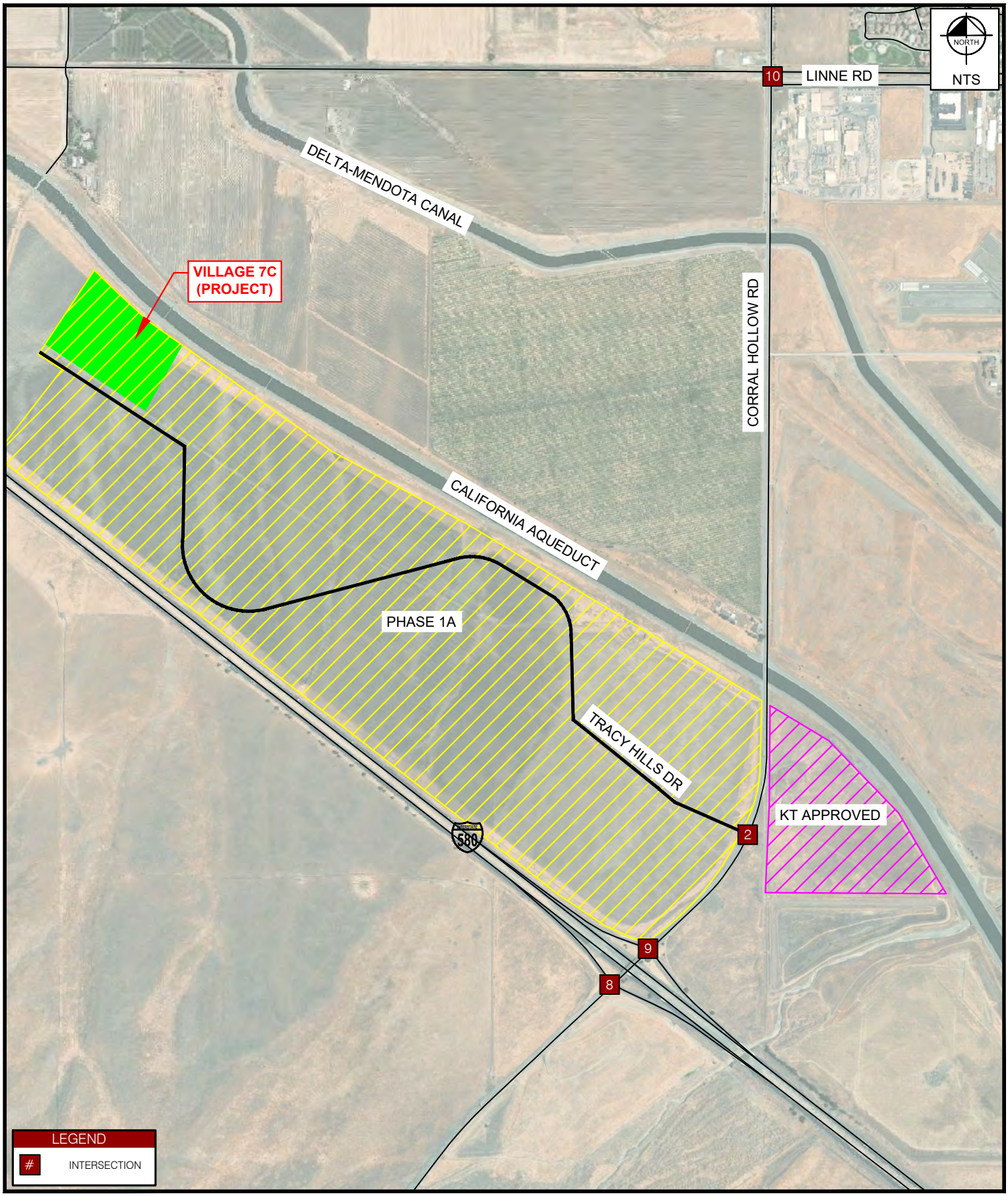
Level of Service Results

It was determined that all intersections will operate at an acceptable LOS if all mitigations provided in the *Tracy Hills KT Vesting Tentative Map Review Memorandum* are implemented. Near-Term Conditions intersection LOS results are shown in **Table 1**.

Table 1 – Near-Term (2025) Plus Phase 1A Plus KT Homes Conditions LOS Results

#	Intersection[1]	LOS & V/C Standard[2,3,4]	Control Type[5]	Near Term Conditions[6]					
				AM Peak Hour			PM Peak Hour		
				V/C[7]	Delay[8]	LOS	V/C[7]	Delay[8]	LOS
2	Corral Hollow Rd & Tracy Hills Dr/Street D	D	Signal	-	29.0	C	-	44.9	D
6	Corral Hollow Rd & Street A	NOT ANALYZED							
8	Corral Hollow Rd & I-580 EB Ramps	C/D	RAB	0.407	7.5	A	0.452	7.2	A
9	Corral Hollow Rd & I-580 WB Ramps	C/D	RAB	0.730	10.0	A	0.548	7.3	A
10	Corral Hollow Rd & Linne Rd	0.85	Signal	-	19.2	B	-	15.0	B

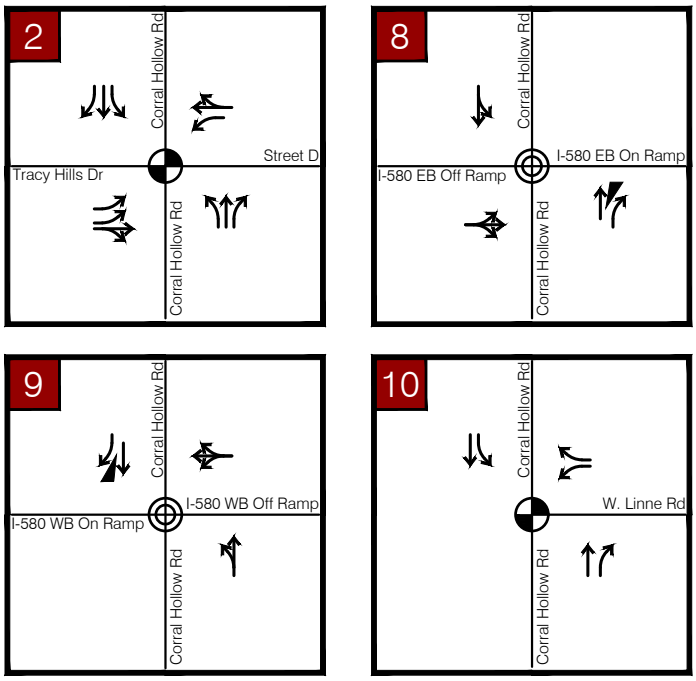
Notes:
1. Analysis performed using HCM 6 methodologies.
2. Overall level of service (LOS) standard for the City is D.
3. Overall level of service (LOS) standard for Caltrans is C/D
4. Volume to Capacity Ratio (V/C) standard for FHWA is 0.85
5. Signal – Signal Control Intersection, RAB - Roundabout
6. Near Term Conditions include:
   - 2025 Volumes
   - Phase 1A Development
   - KT Approved Site Plan
7. Delay indicated in seconds/vehicle.
8. Intersections that fall below LOS standard are shown in **bold.**
9. This condition assumes all mitigations identified in the *Tracy Hills KT Vesting Tentative Map Review Memorandum* (2/25/20) are implemented

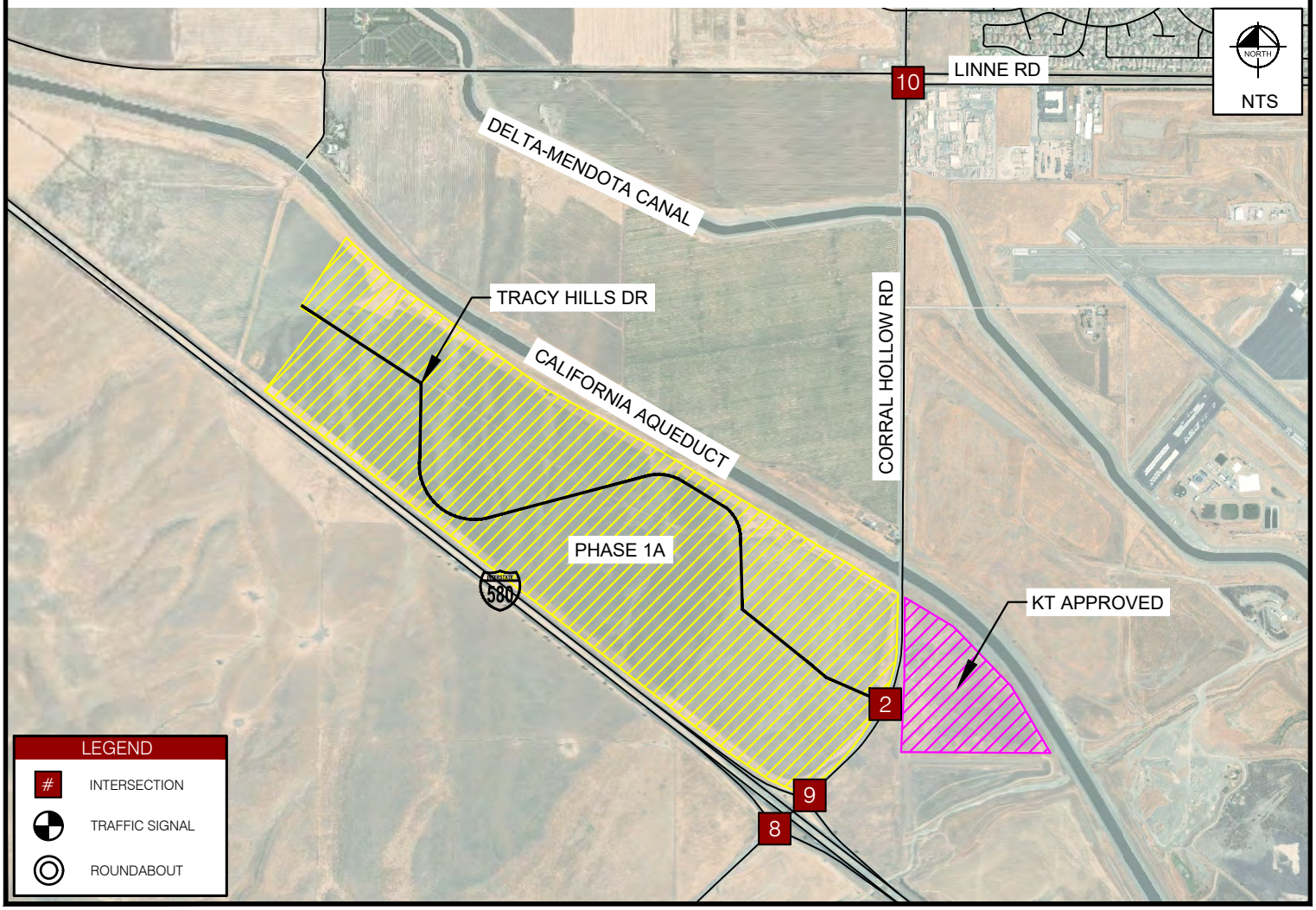


Kimley»Horn

Figure 1

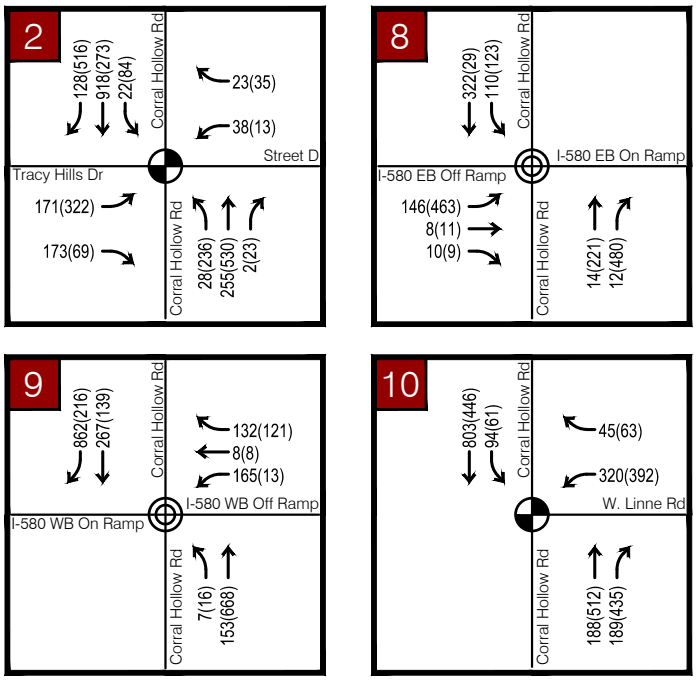
Village 7C Study Intersections

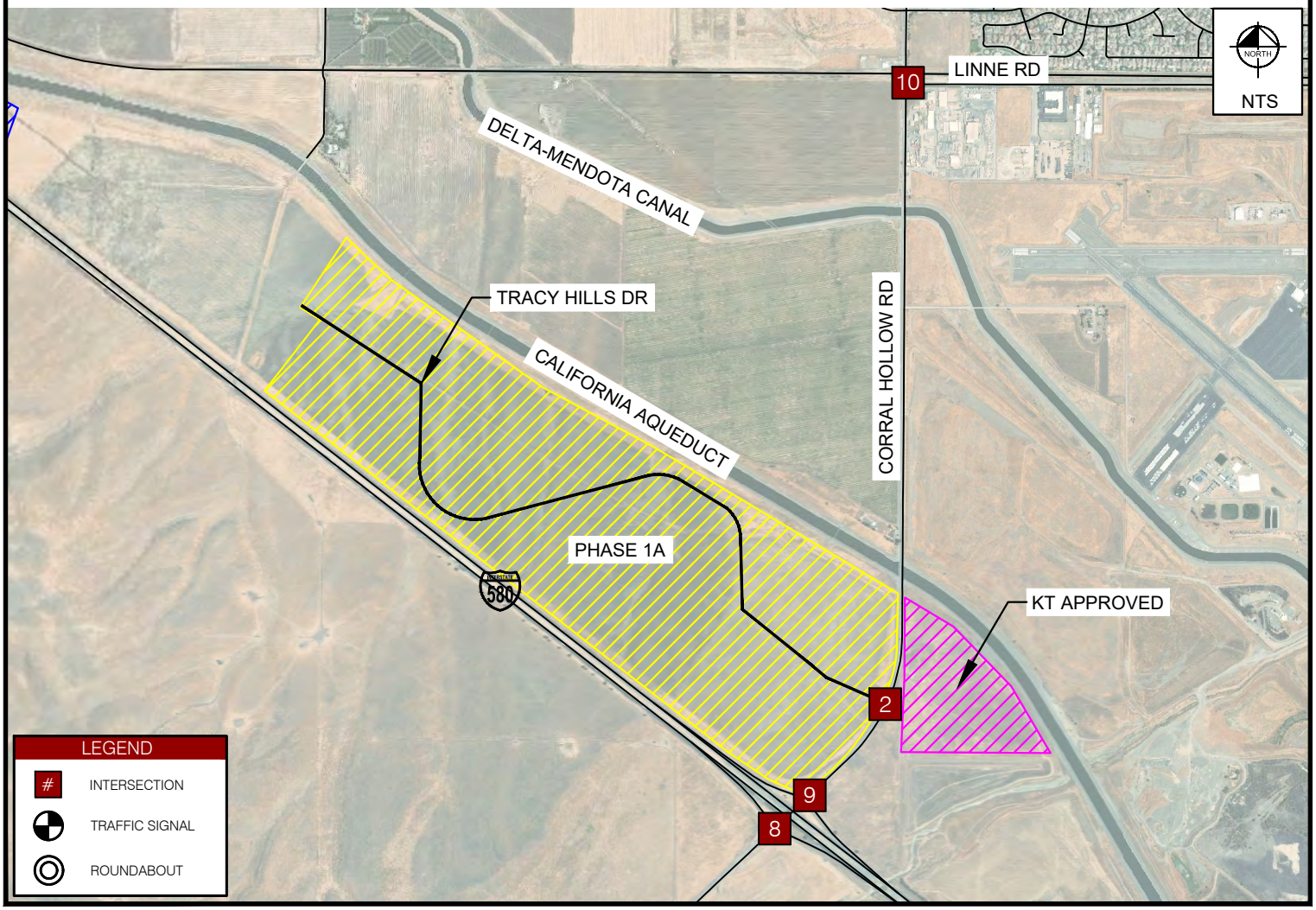




Kimley»Horn

Figure 2
Near-Term Conditions
Traffic Control and Geometry





Kimley»Horn

Figure 3
Near-Term Conditions
Peak Hour Volumes

5. Near-Term Plus Project Conditions

Trip Generation

Trip generation was prepared using rates from the *Tracy Hills Specific Plan Recirculated Draft Subsequent EIR*. **Table 2** provides the estimated Project trip generation used for this analysis.

Table 2 – Trip Generation

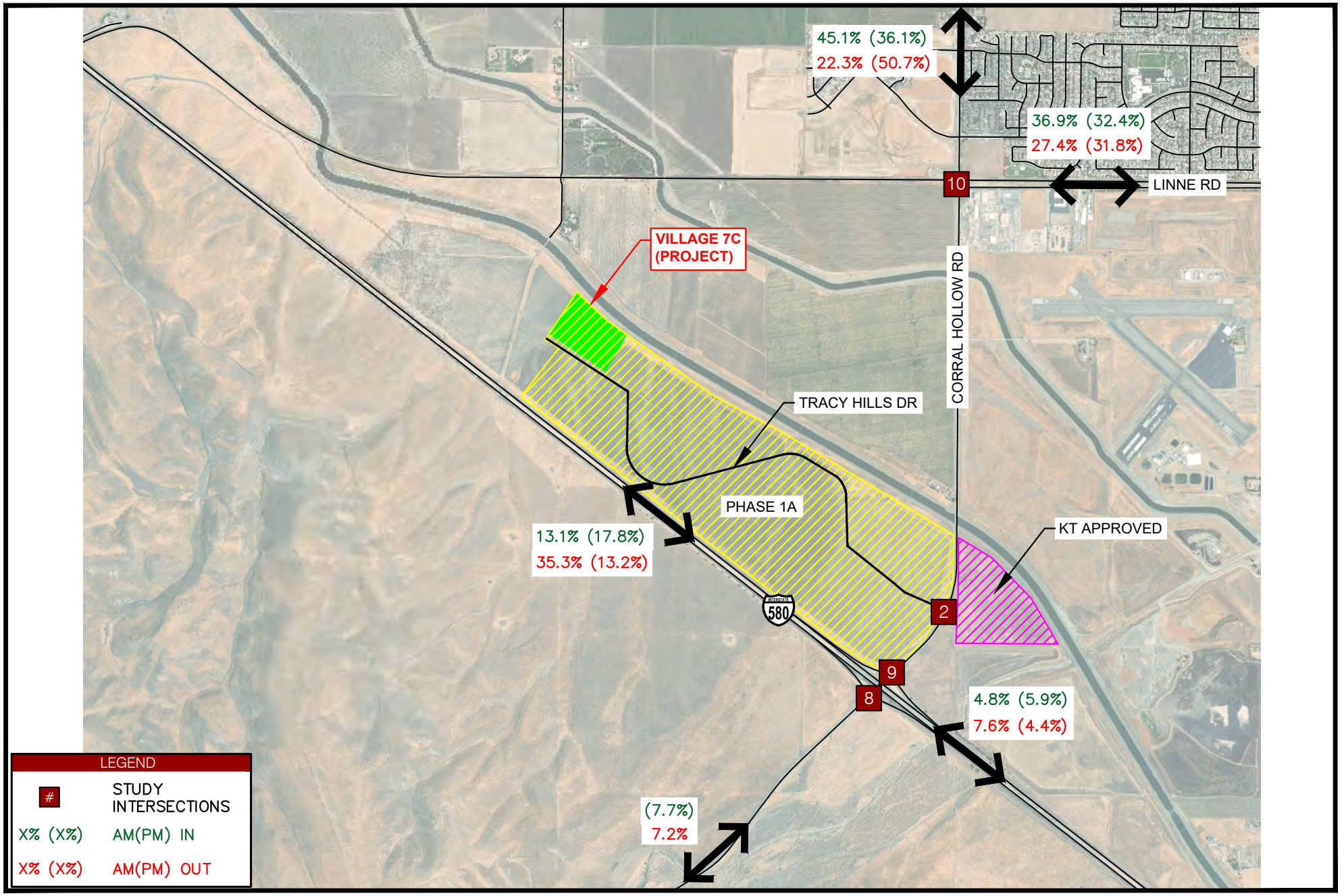
Trip Generation Rates	ITE Land Use Code/ Reference	Units	Weekday AM				Weekday PM			
			Rate	IN	/	OUT	Rate	IN	/	OUT
Low/Mid Density Residential & Residential Estate	Model	No. of Dwelling Units	0.55	25%	/	75%	1.05	63%	/	37%
Village 7C										
Trip Generation Rates		Units	Weekday AM				Weekday PM			
			Total	IN	/	OUT	Total	IN	/	OUT
Low/Mid Density Residential & Residential Estate	66	No. of Dwelling Units	36	9	/	27	69	43	/	26

Trip Distribution and Assignment

For this scenario, the trip distributions were based on the Phase 1A distributions provided by Figure 4.13-20 of the Tracy Hills EIR (October 2015) with the following minor change:

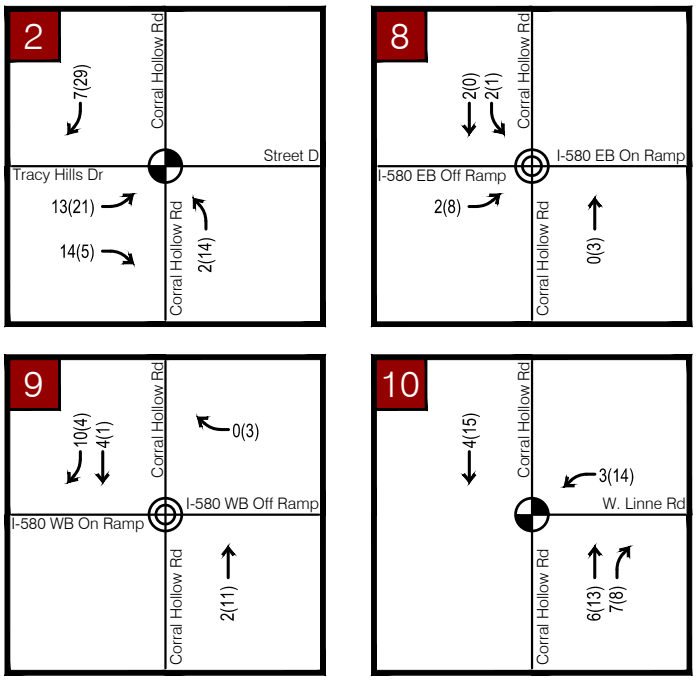
- Distribution was added to and from south Corral Hollow Road (Tesla Road) to reflect current travel patterns.

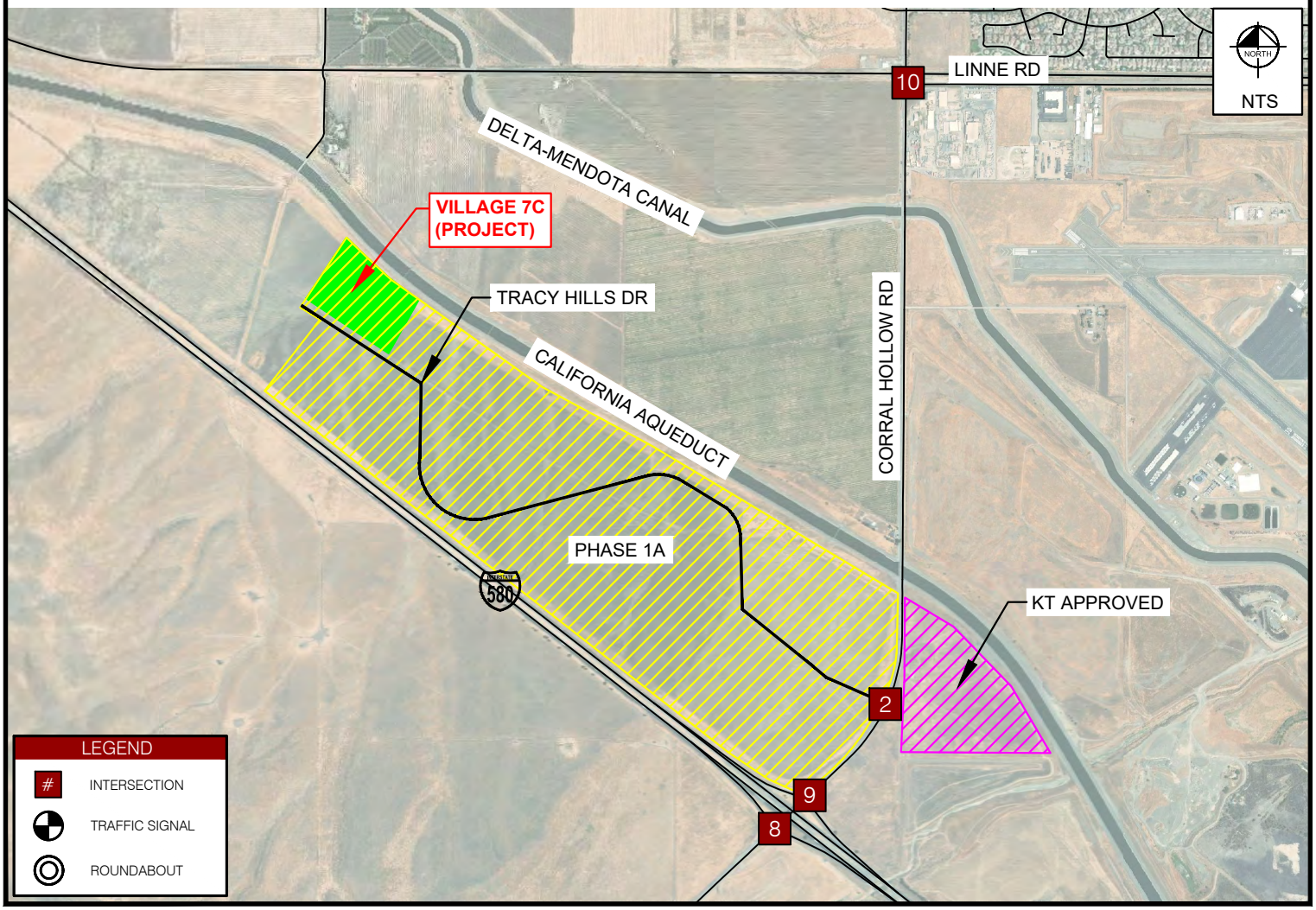
Refer to **Figure 4** and **Figure 5** for the trip distribution and Project trip assignment, respectively.



Kimley»Horn

Figure 4
Village 7C
Trip Distribution





Kimley»Horn

Figure 5
Village 7C
Project Assignment

Level of Service Results

Figure 6 and **Figure 7** illustrate the traffic geometry and peak hour volumes for the Near-Term Plus Project Conditions, respectively.

Table 3 provides the Near Term Plus Project Conditions LOS results.

The intersection of Corral Hollow Road and Tracy Hills Drive/Street D operates at an acceptable LOS if all mitigations provided in the *Tracy Hills KT Vesting Tentative Map Review Memorandum* are implemented; however, the signal is nearing capacity.

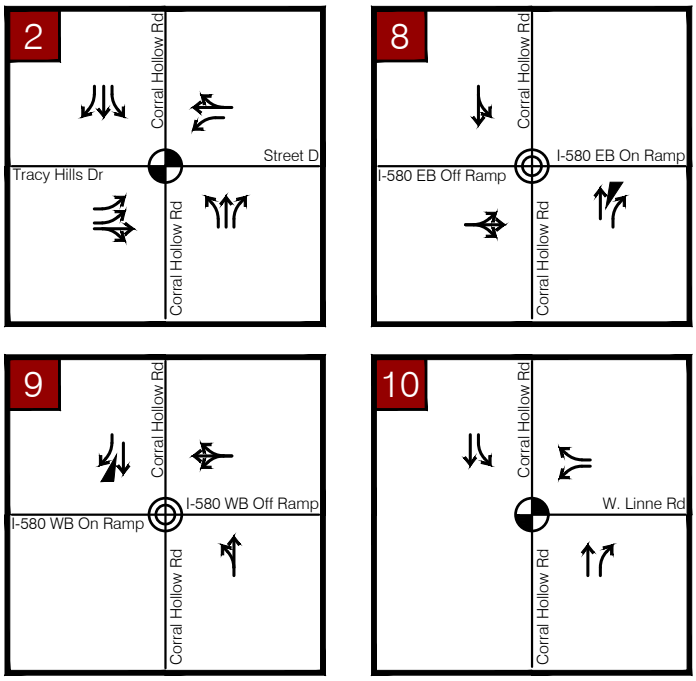
Table 3 – Near-Term Plus Project LOS Results

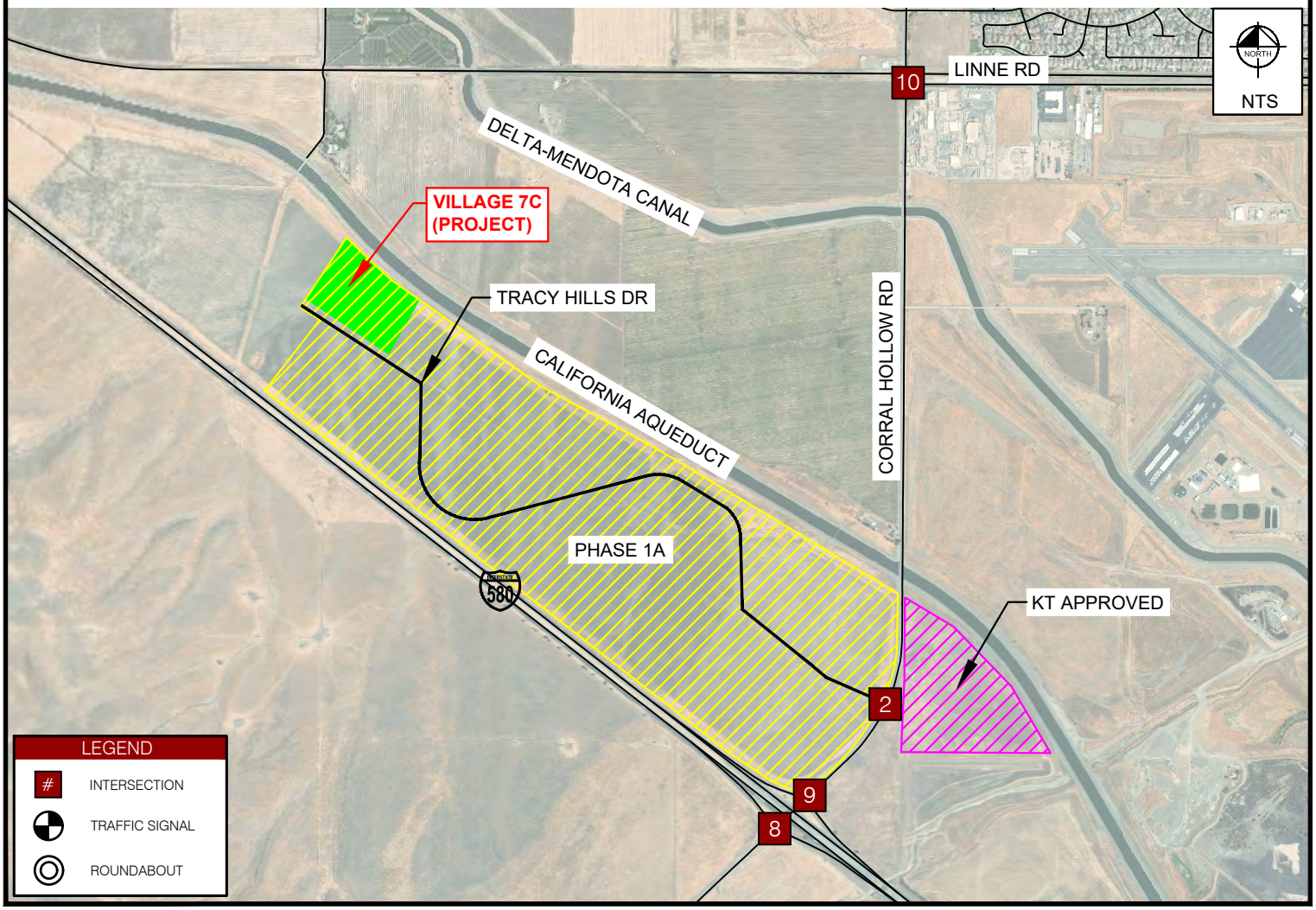
#	Intersection[1]	LOS Standard[2,3]	Control Type[4]	Near Term Conditions[5]				Near-Term Plus Project Conditions			
				AM Peak Hour		PM Peak Hour		AM Peak Hour		PM Peak Hour	
				Delay[6]	LOS	Delay[6]	LOS	Delay[6]	LOS	Delay[6]	LOS
2	Corral Hollow Rd & Tracy Hills Dr/Street D	D	Signal	29.0	C	44.9	D	30.6	C	53.4	D

Notes:

1. Analysis performed using HCM 6 methodologies.
2. Overall level of service (LOS) standard for the City is D.
3. Overall level of service (LOS) standard for Caltrans is C/D
4. Signal – Signal Control Intersection, RAB - roundabout
5. Near Term Conditions include:
   - 2025 Volumes
   - Phase 1A Development
   - KT Approved Site Plan
6. Delay indicated in seconds/vehicle.
7. Intersections that fall below LOS standard are shown in **bold.**
8. This condition assumes all mitigations identified in the Tracy Hills KT Vesting Tentative Map review (2/25/20) are implemented

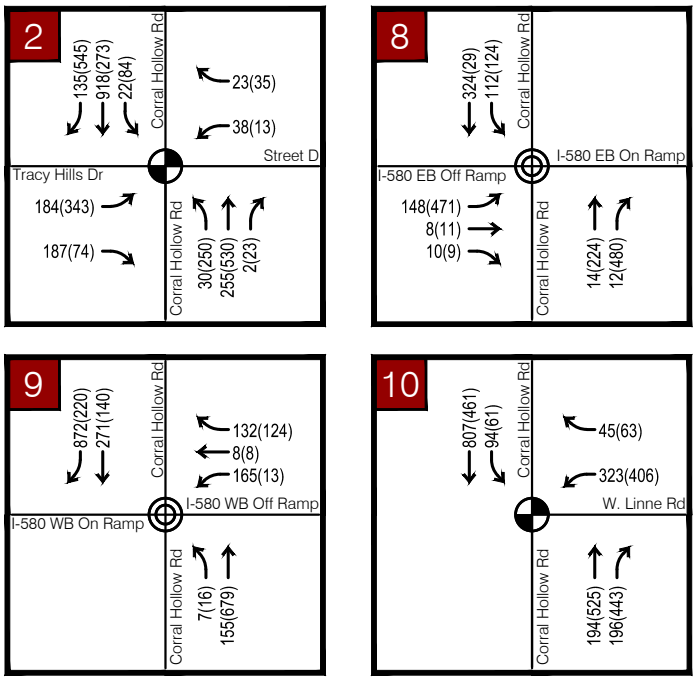
Only Intersection #2 was analyzed for this scenario because all other intersections were failing and improved to an acceptable LOS in the base conditions. It was determined that the intersection of Corral Hollow Road and Tracy Hills Drive/Street D would trigger impacts before all other study intersections; therefore, it was assumed that the additional 66 homes would not trigger any new impacts on the road network.

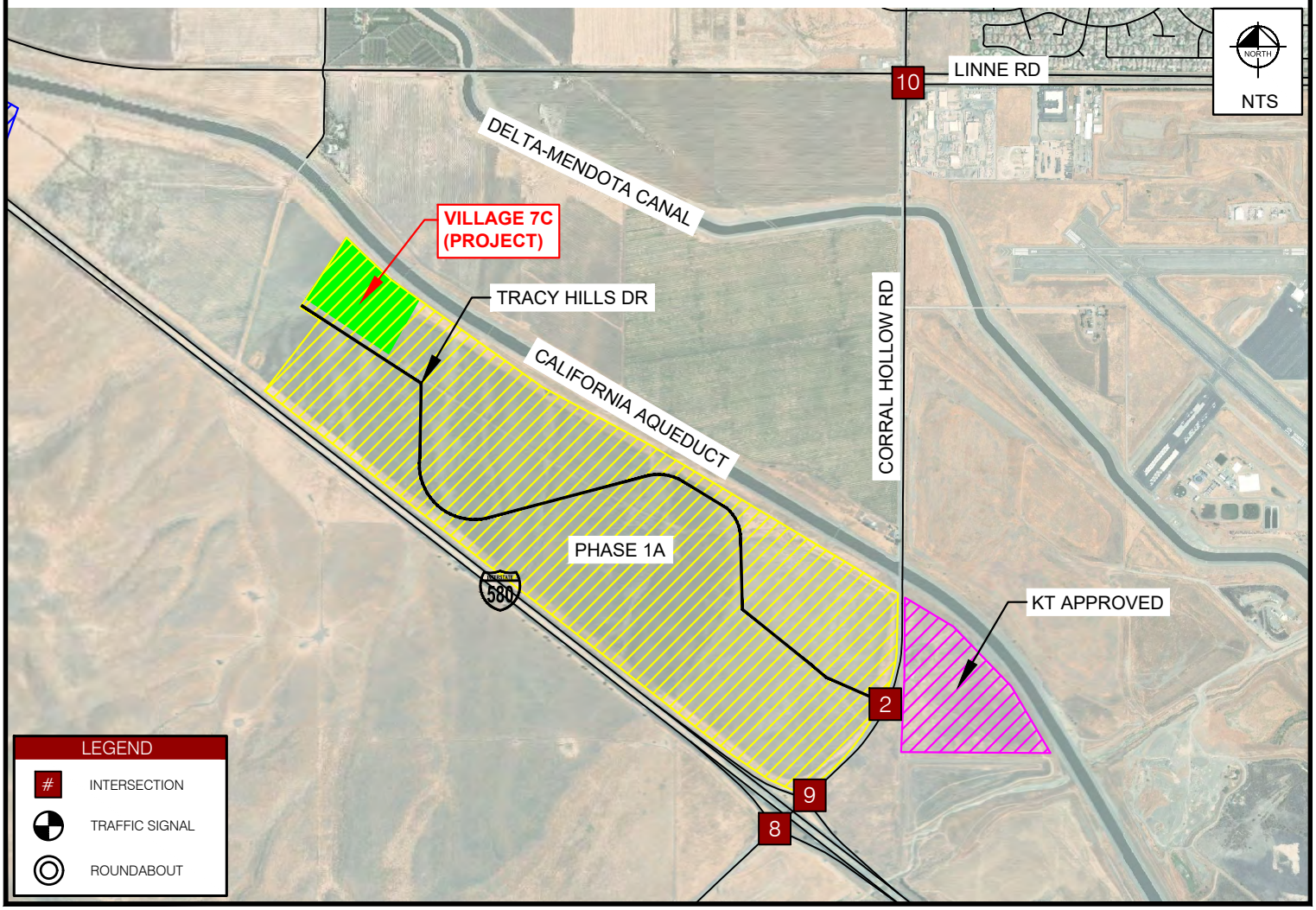




Kimley»Horn

Figure 6
Near-Term+Project
Traffic Control and Geometry





Kimley»Horn

Figure 7
Near-Term+Project
Peak Hour Volumes

6. Tracy Hills Specific Plan Buildout

VMT

In 2018, the California state legislature, in approving SB 743, directed the Office of Planning and Research (OPR) to develop guidelines for assessing transportation impacts based on vehicle miles traveled (VMT). As of this writing, land use agencies across California are working to develop their own "thresholds" for measuring VMT in order to comply with these changes in CEQA. All land use agencies must apply the "VMT analysis methodology" by July 1, 2020.

In instances when public agencies are considering changes to already approved projects that were analyzed using LOS, OPR states the following:

> "When determining whether subsequent and supplemental analyses are required under Public Resources Code section 21166, the agency should focus the inquiry on whether there are substantial changes in the project or circumstances that would require major revisions of the document, or if new information, which was not known and could not have been known at the time of becomes available. (Pub. Resources Code, § 21166; CEQA Guidelines, §§ 15162-15163.) Agencies should review other streamlining provisions governing the bases for those analyses (see, e.g., CEQA Guidelines, § 15164 [addendum to an EIR or negative declaration]).
>
> In reviewing the applicability of these conditions, an agency may use its discretion to determine that a VMT analysis is not required for later-prepared documents. (See, e.g., CREED v. San Diego (2011) 196 Cal.App.4th 515; Concerned Dublin Citizens v. City of Dublin (2013) 214 Cal.App.4th 1301, 1320.) But note that the agency's determination should be supported by substantial evidence and should be guided by the circumstances of the project."

None of the conditions described above would call for preparation for a VMT analysis as a result of the proposed Amendment. At the time of its approval in April 2016, the THSP SEIR had assessed transportation impacts based on the LOS methodology and did not consider VMT. This addendum to the THSP SEIR would not warrant a VMT analysis because the proposed revisions are minimal and would not result in new significant environmental effects beyond those addressed and identified in the THSP SEIR.

Trip Generation Comparison

Table 4 provides a trip generation comparison between the original approved EIR trip generation for the Tracy Hills Specific Plan area, the latest approved Specific Plan Amendment (KT Approved) and the current proposed Project.

The Project adds more trips to the Specific Plan Buildout trip generation as compared to the KT Approved Specific Plan Amendment, but total trips remain substantially less than the original approved EIR trip generation. Therefore, the additional 66 Village 7C homes are not anticipated cause additional new CEQA impacts.

Kimley»Horn

Table 4 – Trip Generation Comparison

Trip Generation Rates	ITE Land Use Code/Reference	Units		Weekday AM				Weekday PM			
				Rate	IN	/	OUT	Rate	IN	/	OUT
Low/Mid Density Residential & Residential Estate	Model	No. of Dwelling Units		0.55	25%	/	75%	1.05	63%	/	37%
High Density Residential	Model	No. of Dwelling Units		0.31	20%	/	80%	0.59	65%	/	35%
Retail	Model	Employees		1.9	62%	/	38%	3.46	48%	/	52%
Office	Model	Employees		0.22	88%	/	12%	0.42	17%	/	83%
Other (Industrial/Warehousing)	Model	Employees		0.17	79%	/	21%	0.33	25%	/	75%
School	ITE (520 & 530)	School		0.48	55%	/	45%	0.15	49%	/	51%
Original Approved Specific Plan											
Trip Generation Rates	Square Feet	Units		Weekday AM				Weekday PM			
				Total	IN	/	OUT	Total	IN	/	OUT
Low/Mid Density Residential & Residential Estate	-	5,374	No. of Dwelling Units	2,956	739	/	2,217	5,643	3,555	/	2,088
High Density Residential	-	125	No. of Dwelling Units	39	8	/	31	74	48	/	26
Retail	758,944	1,751	Employees	3,327	2,063	/	1,264	6,058	2,908	/	3,150
Office	1,562,933	1,872	Employees	412	363	/	49	786	134	/	652
Other (Industrial/Warehousing)	3,360,654	4,197	Employees	713	563	/	150	1,385	346	/	1,039
School	-	800	Students	384	211	/	173	120	59	/	61
			Total Trips	**7,831**	**3,947**	**/**	**3,884**	**14,066**	**7,050**	**/**	**7,016**
Specific Plan with KT Approved (February 2020)											
Trip Generation Rates	Square Feet	Units		Weekday AM				Weekday PM			
				Total	IN	/	OUT	Total	IN	/	OUT
Low/Mid Density Residential & Residential Estate	***-***	***5,565*** [1,2]	***No. of Dwelling Units***	***3,061***	***765***	***/***	***2,296***	***5,843***	***3,681***	***/***	***2,162***
High Density Residential	-	125	No. of Dwelling Units	39	8	/	31	74	48	/	26
Retail	***493,186*** [1]	***1,138*** [1,2]	***Employees***	***2,162***	***1,340***	***/***	***822***	***3,937***	***1,890***	***/***	***2,047***
Office	1,562,933	1,872	Employees	412	363	/	49	786	134	/	652
Other (Industrial/Warehousing)	3,360,654	4,197	Employees	713	563	/	150	1,385	346	/	1,039
School	-	800	Students	384	211	/	173	120	59	/	61
			Total Trips	**6,771**	**3,250**	**/**	**3,521**	**12,145**	**6,158**	**/**	**5,987**
			Net New Trips	**-1,060**	**-697**	**/**	**-363**	**-1,921**	**-892**	**/**	**-1,029**
Specific Plan with Project											
Trip Generation Rates	Square Feet	Units		Weekday AM				Weekday PM			
				Total	IN	/	OUT	Total	IN	/	OUT
Low/Mid Density Residential & Residential Estate	***-***	***5,631*** [1,3]	***No. of Dwelling Units***	***3,097***	***774***	***/***	***2,323***	***5,912***	***3,724***	***/***	***2,188***
High Density Residential	-	125	No. of Dwelling Units	39	8	/	31	74	48	/	26
Retail	493,186	1,138	Employees	2,162	1,340	/	822	3,937	1,890	/	2,047
Office	1,562,933	1,872	Employees	412	363	/	49	786	134	/	652
Other (Industrial/Warehousing)	3,360,654	4,197	Employees	713	563	/	150	1,385	346	/	1,039
School	-	800	Students	384	211	/	173	120	59	/	61
			Total Village 7C Trips	**6,807**	**3,259**	**/**	**3,548**	**12,215**	**6,202**	**/**	**6,013**
			Net New Trips (Original Approved Specific Plan)	**-1,024**	**-688**	**/**	**-336**	**-1,851**	**-848**	**/**	**-1,003**
			Net New Trips (Specific Plan with KT Approved)	**36**	**9**	**/**	**27**	**70**	**44**	**/**	**26**

Notes:

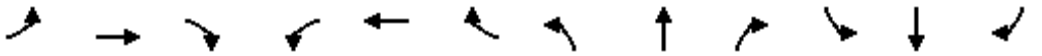
1. Proposed changes are shown in ***BOLD***
2. Project changes are consistent with the *Tracy Hills KT Vesting Tentative Map Review Memorandum* dated February 25, 2020.
3. Village 7C changes include an additional 66 homes in Phase 1A.

Appendix

A.1 – Near-Term Synchro & Sidra Outputs

A.2 – Near-Term Plus Project Synchro Outputs

A.1 – Near Term Synchro and Sidra Outputs



Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations												
Traffic Volume (veh/h)	171	0	173	38	0	23	28	255	2	22	918	128
Future Volume (veh/h)	171	0	173	38	0	23	28	255	2	22	918	128
Initial Q (Qb), veh	0	0	0	0	0	0	0	0	0	0	0	0
Ped-Bike Adj(A_pbT)	1.00		1.00	1.00		1.00	1.00		1.00	1.00		1.00
Parking Bus, Adj	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Work Zone On Approach		No			No			No			No	
Adj Sat Flow, veh/h/ln	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870
Adj Flow Rate, veh/h	186	0	188	41	0	25	30	277	2	24	998	139
Peak Hour Factor	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
Percent Heavy Veh, %	2	2	2	2	2	2	2	2	2	2	2	2
Cap, veh/h	266	0	230	52	182	154	41	1098	930	35	1092	925
Arrive On Green	0.08	0.00	0.15	0.03	0.00	0.10	0.02	0.59	0.59	0.02	0.58	0.58
Sat Flow, veh/h	3456	0	1585	1781	1870	1585	1781	1870	1585	1781	1870	1585
Grp Volume(v), veh/h	186	0	188	41	0	25	30	277	2	24	998	139
Grp Sat Flow(s),veh/h/ln	1728	0	1585	1781	1870	1585	1781	1870	1585	1781	1870	1585
Q Serve(g_s), s	5.2	0.0	11.3	2.2	0.0	1.4	1.6	7.0	0.1	1.3	46.7	3.9
Cycle Q Clear(g_c), s	5.2	0.0	11.3	2.2	0.0	1.4	1.6	7.0	0.1	1.3	46.7	3.9
Prop In Lane	1.00		1.00	1.00		1.00	1.00		1.00	1.00		1.00
Lane Grp Cap(c), veh/h	266	0	230	52	182	154	41	1098	930	35	1092	925
V/C Ratio(X)	0.70	0.00	0.82	0.79	0.00	0.16	0.74	0.25	0.00	0.69	0.91	0.15
Avail Cap(c_a), veh/h	634	0	488	160	400	339	73	1399	1186	111	1439	1220
HCM Platoon Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Upstream Filter(I)	1.00	0.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Uniform Delay (d), s/veh	44.2	0.0	40.7	47.3	0.0	40.6	47.7	9.8	8.4	47.8	18.2	9.3
Incr Delay (d2), s/veh	3.3	0.0	7.0	22.4	0.0	0.5	22.8	0.1	0.0	21.4	7.6	0.1
Initial Q Delay(d3),s/veh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
%ile BackOfQ(50%),veh/ln	2.3	0.0	4.7	1.3	0.0	0.6	1.0	2.5	0.0	0.8	18.5	1.3
Unsig. Movement Delay, s/veh												
LnGrp Delay(d),s/veh	47.5	0.0	47.6	69.7	0.0	41.1	70.5	9.9	8.4	69.2	25.8	9.4
LnGrp LOS	D	A	D	E	A	D	E	A	A	E	C	A
Approach Vol, veh/h		374			66			309			1161	
Approach Delay, s/veh		47.5			58.9			15.8			24.8	
Approach LOS		D			E			B			C	

Timer - Assigned Phs	1	2	3	4	5	6	7	8
Phs Duration (G+Y+Rc), s	7.0	63.8	8.0	19.3	7.3	63.5	12.7	14.6
Change Period (Y+Rc), s	5.1	6.2	5.1	5.1	5.1	6.2	5.1	5.1
Max Green Setting (Gmax), s	6.1	73.4	8.8	30.2	4.0	75.5	18.0	21.0
Max Q Clear Time (g_c+I1), s	3.3	9.0	4.2	13.3	3.6	48.7	7.2	3.4
Green Ext Time (p_c), s	0.0	1.5	0.0	1.0	0.0	8.5	0.4	0.0

Intersection Summary	
HCM 6th Ctrl Delay	29.0
HCM 6th LOS	C

Intersection	
Int Delay, s/veh	0.1

Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Vol, veh/h	0	15	447	2	0	1068
Future Vol, veh/h	0	15	447	2	0	1068
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	-	0	-	-	-	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	92	92	92	92	92	92
Heavy Vehicles, %	2	2	2	2	2	2
Mvmt Flow	0	16	486	2	0	1161

Major/Minor	Minor1		Major1		Major2	
Conflicting Flow All	-	487	0	0	-	-
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Critical Hdwy	-	6.22	-	-	-	-
Critical Hdwy Stg 1	-	-	-	-	-	-
Critical Hdwy Stg 2	-	-	-	-	-	-
Follow-up Hdwy	-	3.318	-	-	-	-
Pot Cap-1 Maneuver	0	581	-	-	0	-
Stage 1	0	-	-	-	0	-
Stage 2	0	-	-	-	0	-
Platoon blocked, %			-	-		-
Mov Cap-1 Maneuver	-	581	-	-	-	-
Mov Cap-2 Maneuver	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-

Approach	WB	NB	SB
HCM Control Delay, s	11.4	0	0
HCM LOS	B		

Minor Lane/Major Mvmt	NBT	NBR	WBLn1	SBT
Capacity (veh/h)	-	-	581	-
HCM Lane V/C Ratio	-	-	0.028	-
HCM Control Delay (s)	-	-	11.4	-
HCM Lane LOS	-	-	B	-
HCM 95th %tile Q(veh)	-	-	0.1	-

LANE SUMMARY

Site: 101 [INT 8 - Corral Hollow & I-580 EB Ramps_AM]

New Site
Site Category: (None)
Roundabout

Lane Use and Performance

	Demand Flows Total veh/h	HV %	Cap. veh/h	Deg. Satn v/c	Lane Util. %	Average Delay sec	Level of Service	95% Back of Queue Veh	Dist ft	Lane Config	Lane Length ft	Cap. Adj. %	Prob. Block. %
South: Corral Hollow													
Lane 1[d]	17	0.0	982	0.017	100	3.8	LOS A	0.1	1.6	Full	1600	0.0	0.0
Lane 2	14	0.0	1201	0.012	100	3.1	LOS A	0.0	1.1	Short	200	0.0	NA
Approach	31	0.0		0.017		3.5	LOS A	0.1	1.6				
North: Corral Hollow													
Lane 1[d]	520	7.9	1279	0.407	100	6.8	LOS A	0.0	0.0	Full	1600	0.0	0.0
Approach	520	7.9		0.407		6.8	LOS A	0.0	0.0				
West: I-580 EB Ramp													
Lane 1[d]	198	25.6	620	0.319	100	10.1	LOS B	1.1	34.3	Full	1600	0.0	0.0
Approach	198	25.6		0.319		10.1	LOS B	1.1	34.3				
Intersection	749	12.2		0.407		7.5	LOS A	1.1	34.3				

Site Level of Service (LOS) Method: Delay & v/c (HCM 6). Site LOS Method is specified in the Parameter Settings dialog (Site tab).
Roundabout LOS Method: Same as Sign Control.
Lane LOS values are based on average delay and v/c ratio (degree of saturation) per lane.
LOS F will result if v/c > 1 irrespective of lane delay value (does not apply for approaches and intersection).
Intersection and Approach LOS values are based on average delay for all lanes (v/c not used as specified in HCM 6).
Roundabout Capacity Model: US HCM 6.
HCM Delay Formula option is used. Control Delay does not include Geometric Delay since Exclude Geometric Delay option applies.
Gap-Acceptance Capacity: Traditional M1.
HV (%) values are calculated for All Movement Classes of All Heavy Vehicle Model Designation.

d Dominant lane on roundabout approach

SIDRA INTERSECTION 8.0 | Copyright © 2000-2018 Akcelik and Associates Pty Ltd | sidrasolutions.com

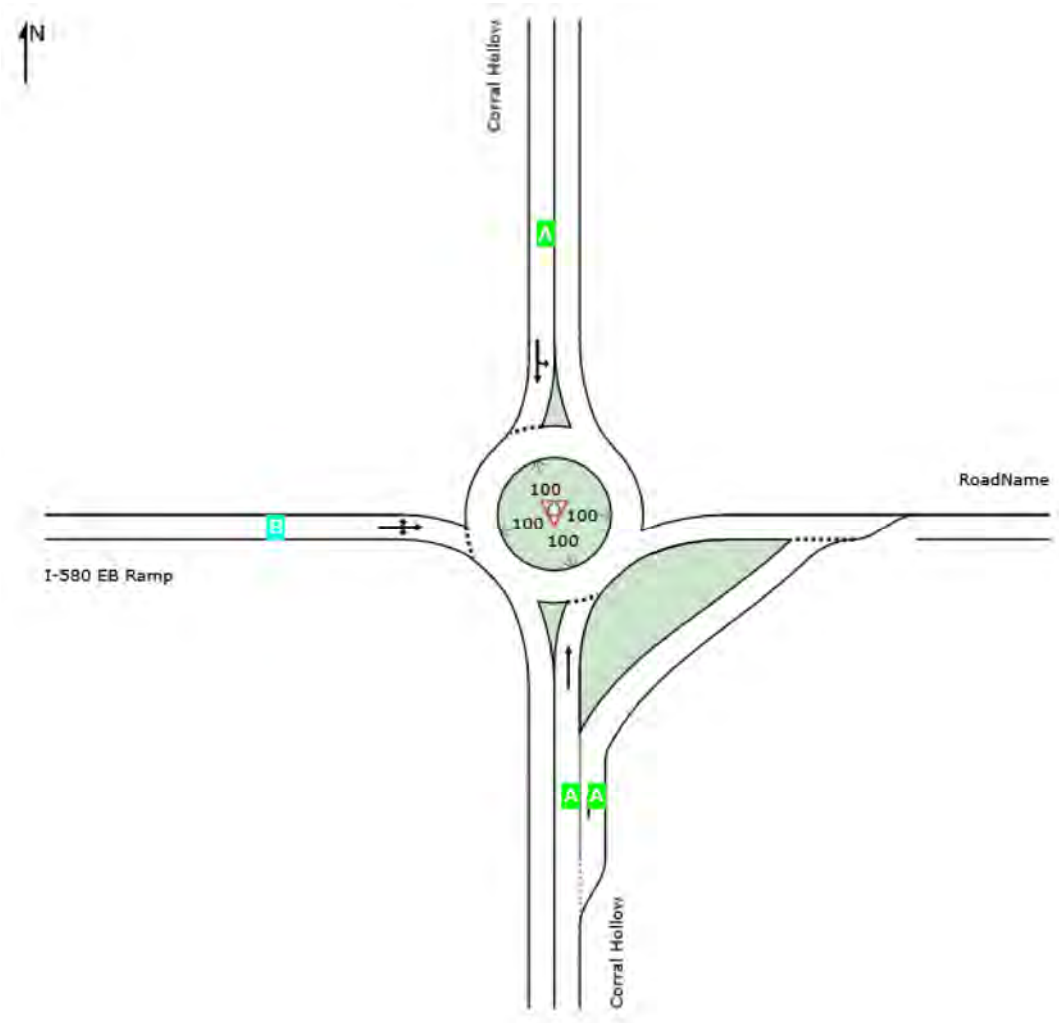
LANE LEVEL OF SERVICE

Lane Level of Service

Site: 101 [INT 8 - Corral Hollow & I-580 EB Ramps_AM]

New Site
Site Category: (None)
Roundabout

	Approaches			Intersection
	South	North	West	
LOS	A	A	B	A



Site Level of Service (LOS) Method: Delay & v/c (HCM 6). Site LOS Method is specified in the Parameter Settings dialog (Site tab).
Roundabout LOS Method: Same as Sign Control.
Lane LOS values are based on average delay and v/c ratio (degree of saturation) per lane.
LOS F will result if v/c > 1 irrespective of lane delay value (does not apply for approaches and intersection).
Intersection and Approach LOS values are based on average delay for all lanes (v/c not used as specified in HCM 6).
HCM Delay Formula option is used. Control Delay does not include Geometric Delay since Exclude Geometric Delay option applies.

LANE SUMMARY

Site: 101 [INT 9 - Corral Hollow & I-580 WB Ramps_AM]

New Site
Site Category: (None)
Roundabout

Lane Use and Performance

	Demand Flows Total veh/h	HV %	Cap. veh/h	Deg. Satn v/c	Lane Util. %	Average Delay sec	Level of Service	95% Back of Queue Veh	Dist ft	Lane Config	Lane Length ft	Cap. Adj. %	Prob. Block. %
South: Corral Hollow													
Lane 1[d]	184	23.0	1122	0.164	100	4.7	LOS A	0.0	0.0	Full	1600	0.0	0.0
Approach	184	23.0		0.164		4.7	LOS A	0.0	0.0				
East: I-580 WB Ramp													
Lane 1[d]	351	10.6	991	0.354	100	7.4	LOS A	1.7	47.2	Full	1600	0.0	0.0
Approach	351	10.6		0.354		7.4	LOS A	1.7	47.2				
North: Corral Hollow													
Lane 1[d]	307	9.0	1075	0.285	100	6.1	LOS A	1.3	33.7	Full	1600	0.0	0.0
Lane 2	991	3.0	1357	0.730	100	13.1	LOS B	9.0	230.9	Short	200	0.0	NA
Approach	1298	4.4		0.730		11.4	LOS B	9.0	230.9				
Intersection	1832	7.5		0.730		10.0	LOS A	9.0	230.9				

Site Level of Service (LOS) Method: Delay & v/c (HCM 6). Site LOS Method is specified in the Parameter Settings dialog (Site tab).
Roundabout LOS Method: Same as Sign Control.
Lane LOS values are based on average delay and v/c ratio (degree of saturation) per lane.
LOS F will result if v/c > 1 irrespective of lane delay value (does not apply for approaches and intersection).
Intersection and Approach LOS values are based on average delay for all lanes (v/c not used as specified in HCM 6).
Roundabout Capacity Model: US HCM 6.
HCM Delay Formula option is used. Control Delay does not include Geometric Delay since Exclude Geometric Delay option applies.
Gap-Acceptance Capacity: Traditional M1.
HV (%) values are calculated for All Movement Classes of All Heavy Vehicle Model Designation.

d Dominant lane on roundabout approach

SIDRA INTERSECTION 8.0 | Copyright © 2000-2018 Akcelik and Associates Pty Ltd | sidrasolutions.com

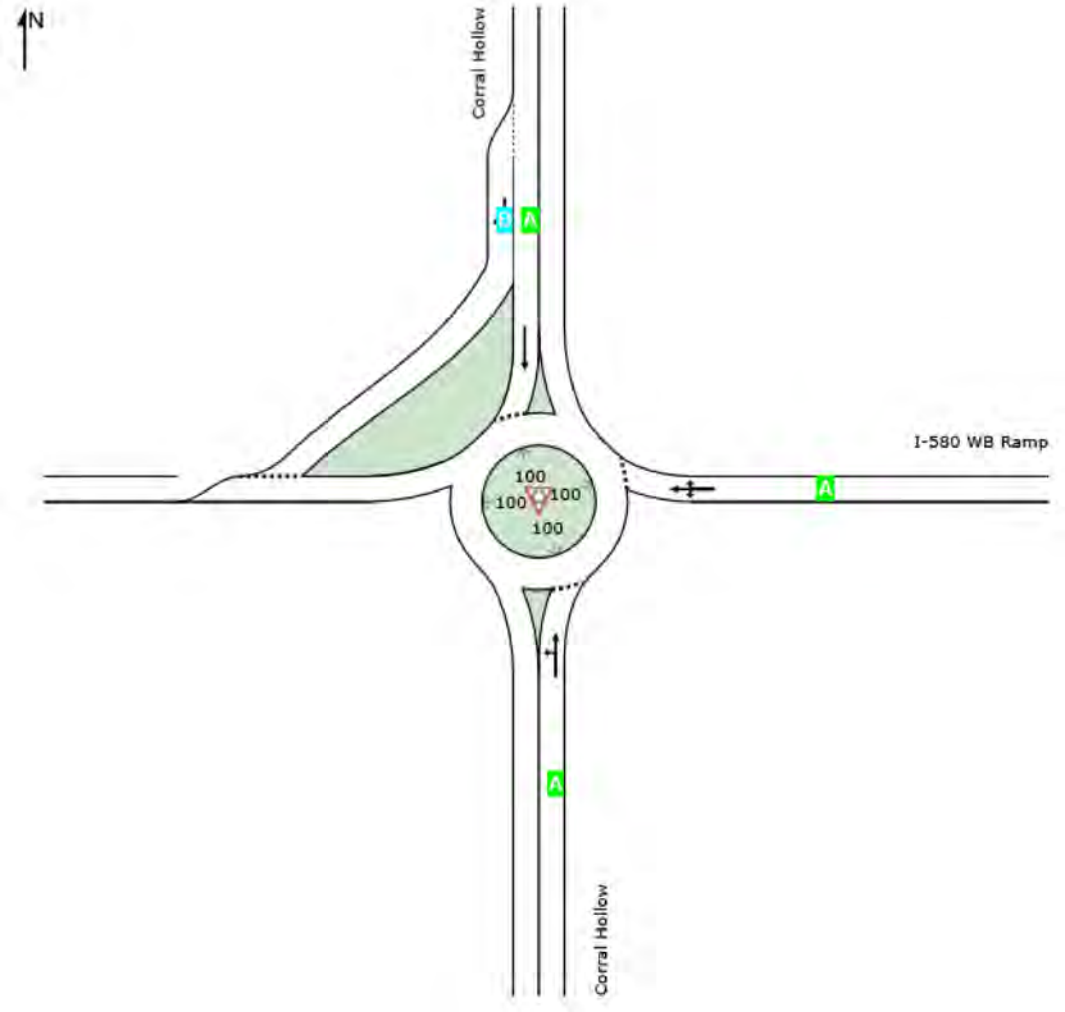
LANE LEVEL OF SERVICE

Lane Level of Service

Site: 101 [INT 9 - Corral Hollow & I-580 WB Ramps_AM]

New Site
Site Category: (None)
Roundabout

	Approaches			Intersection
	South	East	North	
LOS	A	A	B	A



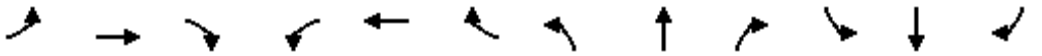
Site Level of Service (LOS) Method: Delay & v/c (HCM 6). Site LOS Method is specified in the Parameter Settings dialog (Site tab).
Roundabout LOS Method: Same as Sign Control.
Lane LOS values are based on average delay and v/c ratio (degree of saturation) per lane.
LOS F will result if v/c > 1 irrespective of lane delay value (does not apply for approaches and intersection).
Intersection and Approach LOS values are based on average delay for all lanes (v/c not used as specified in HCM 6).
HCM Delay Formula option is used. Control Delay does not include Geometric Delay since Exclude Geometric Delay option applies.



Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Volume (veh/h)	320	45	188	189	94	803
Future Volume (veh/h)	320	45	188	189	94	803
Initial Q (Qb), veh	0	0	0	0	0	0
Ped-Bike Adj(A_pbT)	1.00	1.00		1.00	1.00	
Parking Bus, Adj	1.00	1.00	1.00	1.00	1.00	1.00
Work Zone On Approach	No		No			No
Adj Sat Flow, veh/h/ln	1707	1144	1796	1292	1544	1885
Adj Flow Rate, veh/h	360	51	211	212	106	902
Peak Hour Factor	0.89	0.89	0.89	0.89	0.89	0.89
Percent Heavy Veh, %	13	51	7	41	24	1
Cap, veh/h	417	249	952	581	500	1000
Arrive On Green	0.26	0.26	0.53	0.53	0.53	0.53
Sat Flow, veh/h	1626	970	1796	1095	796	1885
Grp Volume(v), veh/h	360	51	211	212	106	902
Grp Sat Flow(s),veh/h/ln	1626	970	1796	1095	796	1885
Q Serve(g_s), s	11.9	2.3	3.5	6.3	4.6	24.2
Cycle Q Clear(g_c), s	11.9	2.3	3.5	6.3	8.1	24.2
Prop In Lane	1.00	1.00		1.00	1.00	
Lane Grp Cap(c), veh/h	417	249	952	581	500	1000
V/C Ratio(X)	0.86	0.21	0.22	0.37	0.21	0.90
Avail Cap(c_a), veh/h	497	296	1143	697	585	1200
HCM Platoon Ratio	1.00	1.00	1.00	1.00	1.00	1.00
Upstream Filter(I)	1.00	1.00	1.00	1.00	1.00	1.00
Uniform Delay (d), s/veh	20.0	16.4	7.0	7.7	9.2	11.9
Incr Delay (d2), s/veh	12.8	0.4	0.1	0.4	0.2	8.5
Initial Q Delay(d3),s/veh	0.0	0.0	0.0	0.0	0.0	0.0
%ile BackOfQ(50%),veh/ln	5.2	0.5	0.9	1.0	0.6	8.5
Unsig. Movement Delay, s/veh						
LnGrp Delay(d),s/veh	32.8	16.8	7.1	8.1	9.4	20.4
LnGrp LOS	C	B	A	A	A	C
Approach Vol, veh/h	411		423			1008
Approach Delay, s/veh	30.8		7.6			19.3
Approach LOS	C		A			B

Timer - Assigned Phs		2			6	8
Phs Duration (G+Y+Rc), s		36.0			36.0	20.2
Change Period (Y+Rc), s		6.2			6.2	5.8
Max Green Setting (Gmax), s		35.8			35.8	17.2
Max Q Clear Time (g_c+I1), s		8.3			26.2	13.9
Green Ext Time (p_c), s		1.7			3.6	0.6

Intersection Summary		
HCM 6th Ctrl Delay	19.2	
HCM 6th LOS	B	



Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations												
Traffic Volume (veh/h)	322	0	69	13	0	35	236	530	23	84	273	516
Future Volume (veh/h)	322	0	69	13	0	35	236	530	23	84	273	516
Initial Q (Qb), veh	0	0	0	0	0	0	0	0	0	0	0	0
Ped-Bike Adj(A_pbT)	1.00		1.00	1.00		1.00	1.00		1.00	1.00		1.00
Parking Bus, Adj	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Work Zone On Approach		No			No			No			No	
Adj Sat Flow, veh/h/ln	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870
Adj Flow Rate, veh/h	350	0	75	14	0	38	257	576	25	91	297	561
Peak Hour Factor	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
Percent Heavy Veh, %	2	2	2	2	2	2	2	2	2	2	2	2
Cap, veh/h	454	0	261	24	87	74	304	919	778	118	723	613
Arrive On Green	0.13	0.00	0.16	0.01	0.00	0.05	0.17	0.49	0.49	0.07	0.39	0.39
Sat Flow, veh/h	3456	0	1585	1781	1870	1585	1781	1870	1585	1781	1870	1585
Grp Volume(v), veh/h	350	0	75	14	0	38	257	576	25	91	297	561
Grp Sat Flow(s),veh/h/ln	1728	0	1585	1781	1870	1585	1781	1870	1585	1781	1870	1585
Q Serve(g_s), s	7.9	0.0	3.4	0.6	0.0	1.9	11.3	18.4	0.7	4.1	9.4	27.3
Cycle Q Clear(g_c), s	7.9	0.0	3.4	0.6	0.0	1.9	11.3	18.4	0.7	4.1	9.4	27.3
Prop In Lane	1.00		1.00	1.00		1.00	1.00		1.00	1.00		1.00
Lane Grp Cap(c), veh/h	454	0	261	24	87	74	304	919	778	118	723	613
V/C Ratio(X)	0.77	0.00	0.29	0.59	0.00	0.52	0.85	0.63	0.03	0.77	0.41	0.92
Avail Cap(c_a), veh/h	720	0	662	88	484	410	547	1146	971	239	823	698
HCM Platoon Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Upstream Filter(I)	1.00	0.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Uniform Delay (d), s/veh	34.1	0.0	29.7	39.8	0.0	37.8	32.6	15.2	10.7	37.3	18.1	23.6
Incr Delay (d2), s/veh	2.8	0.0	0.6	21.1	0.0	5.5	6.4	0.7	0.0	10.3	0.4	15.6
Initial Q Delay(d3),s/veh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
%ile BackOfQ(50%),veh/ln	3.4	0.0	1.3	0.4	0.0	0.8	5.0	6.6	0.2	2.0	3.6	12.0
Unsig. Movement Delay, s/veh												
LnGrp Delay(d),s/veh	36.9	0.0	30.3	60.9	0.0	43.3	39.0	15.9	10.7	47.6	18.5	39.3
LnGrp LOS	D	A	C	E	A	D	D	B	B	D	B	D
Approach Vol, veh/h		425			52			858			949	
Approach Delay, s/veh		35.7			48.0			22.7			33.6	
Approach LOS		D			D			C			C	

Timer - Assigned Phs	1	2	3	4	5	6	7	8
Phs Duration (G+Y+Rc), s	10.5	46.0	6.2	18.4	18.9	37.6	15.8	8.9
Change Period (Y+Rc), s	5.1	6.2	5.1	5.1	5.1	6.2	5.1	5.1
Max Green Setting (Gmax), s	10.9	49.7	4.0	33.9	24.9	35.7	16.9	21.0
Max Q Clear Time (g_c+I1), s	6.1	20.4	2.6	5.4	13.3	29.3	9.9	3.9
Green Ext Time (p_c), s	0.1	3.6	0.0	0.4	0.5	2.1	0.7	0.1

Intersection Summary	
HCM 6th Ctrl Delay	30.2
HCM 6th LOS	C

Notes

User approved pedestrian interval to be less than phase max green.

Intersection	
Int Delay, s/veh	0.2

Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Vol, veh/h	0	24	872	15	0	873
Future Vol, veh/h	0	24	872	15	0	873
Conflicting Peds, #/hr	0	0	0	0	0	0
Sign Control	Stop	Stop	Free	Free	Free	Free
RT Channelized	-	None	-	None	-	None
Storage Length	-	0	-	-	-	-
Veh in Median Storage, #	0	-	0	-	-	0
Grade, %	0	-	0	-	-	0
Peak Hour Factor	92	92	92	92	92	92
Heavy Vehicles, %	2	2	2	2	2	2
Mvmt Flow	0	26	948	16	0	949

Major/Minor	Minor1		Major1		Major2	
Conflicting Flow All	-	956	0	0	-	-
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Critical Hdwy	-	6.22	-	-	-	-
Critical Hdwy Stg 1	-	-	-	-	-	-
Critical Hdwy Stg 2	-	-	-	-	-	-
Follow-up Hdwy	-	3.318	-	-	-	-
Pot Cap-1 Maneuver	0	313	-	-	0	-
Stage 1	0	-	-	-	0	-
Stage 2	0	-	-	-	0	-
Platoon blocked, %			-	-		-
Mov Cap-1 Maneuver	-	313	-	-	-	-
Mov Cap-2 Maneuver	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-

Approach	WB	NB	SB
HCM Control Delay, s	17.5	0	0
HCM LOS	C		

Minor Lane/Major Mvmt	NBT	NBR	WBLn1	SBT
Capacity (veh/h)	-	-	313	-
HCM Lane V/C Ratio	-	-	0.083	-
HCM Control Delay (s)	-	-	17.5	-
HCM Lane LOS	-	-	C	-
HCM 95th %tile Q(veh)	-	-	0.3	-

LANE SUMMARY

Site: 101 [INT 8 - Corral Hollow & I-580 EB Ramps_PM]

New Site
Site Category: (None)
Roundabout

Lane Use and Performance

	Demand Flows Total veh/h	HV %	Cap. veh/h	Deg. Satn v/c	Lane Util. %	Average Delay sec	Level of Service	95% Back of Queue Veh	Dist ft	Lane Config	Lane Length ft	Cap. Adj. %	Prob. Block. %
South: Corral Hollow													
Lane 1[d]	233	0.0	784	0.297	100	8.0	LOS A	1.3	31.7	Full	1600	0.0	0.0
Lane 2	505	0.0	1242	0.407	100	6.9	LOS A	2.4	59.9	Short	200	0.0	NA
Approach	738	0.0		0.407		7.3	LOS A	2.4	59.9				
North: Corral Hollow													
Lane 1[d]	160	4.0	1326	0.121	100	3.7	LOS A	0.0	0.0	Full	1600	0.0	0.0
Approach	160	4.0		0.121		3.7	LOS A	0.0	0.0				
West: I-580 EB Ramp													
Lane 1[d]	507	3.8	1121	0.452	100	8.1	LOS A	2.8	72.7	Full	1600	0.0	0.0
Approach	507	3.8		0.452		8.1	LOS A	2.8	72.7				
Intersection	1405	1.8		0.452		7.2	LOS A	2.8	72.7				

Site Level of Service (LOS) Method: Delay & v/c (HCM 6). Site LOS Method is specified in the Parameter Settings dialog (Site tab).
Roundabout LOS Method: Same as Sign Control.
Lane LOS values are based on average delay and v/c ratio (degree of saturation) per lane.
LOS F will result if v/c > 1 irrespective of lane delay value (does not apply for approaches and intersection).
Intersection and Approach LOS values are based on average delay for all lanes (v/c not used as specified in HCM 6).
Roundabout Capacity Model: US HCM 6.
HCM Delay Formula option is used. Control Delay does not include Geometric Delay since Exclude Geometric Delay option applies.
Gap-Acceptance Capacity: Traditional M1.
HV (%) values are calculated for All Movement Classes of All Heavy Vehicle Model Designation.

d Dominant lane on roundabout approach

SIDRA INTERSECTION 8.0 | Copyright © 2000-2018 Akcelik and Associates Pty Ltd | sidrasolutions.com

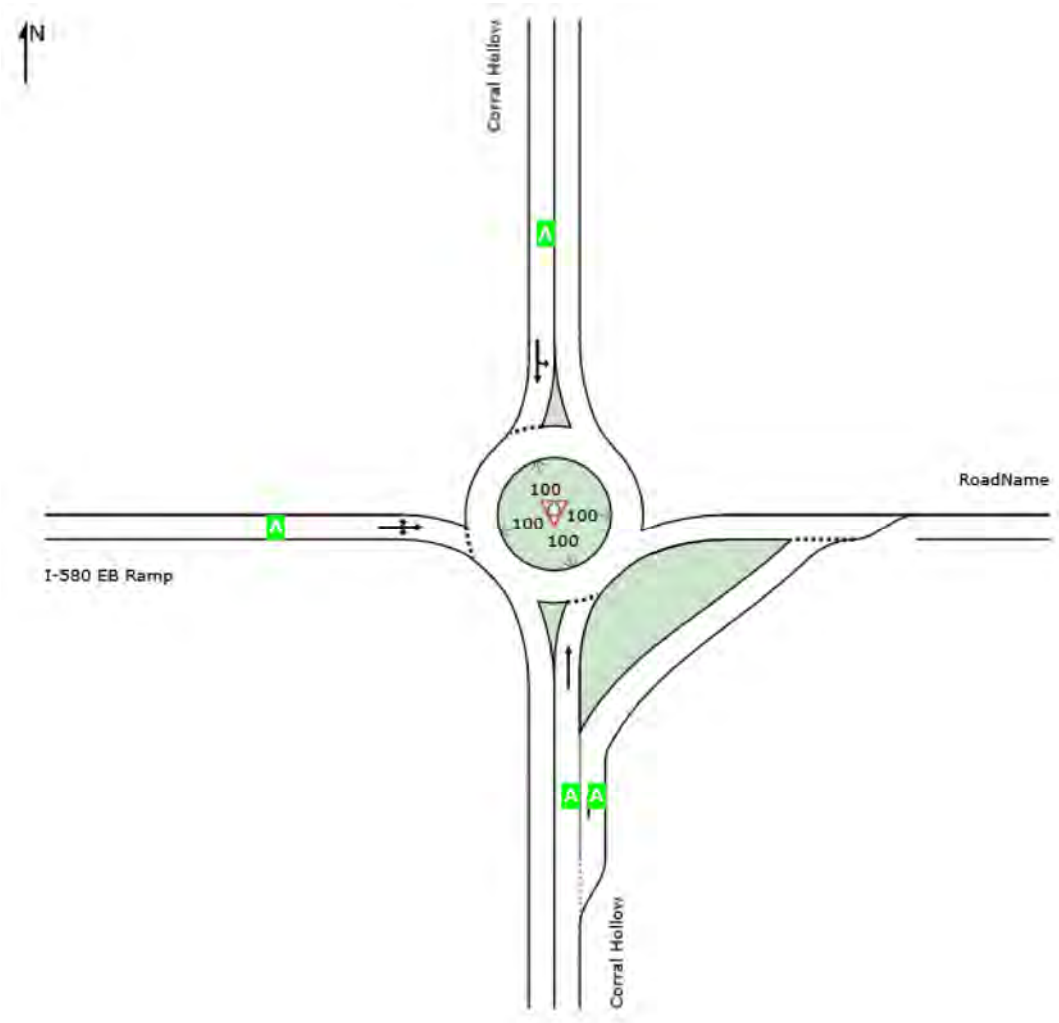
LANE LEVEL OF SERVICE

Lane Level of Service

Site: 101 [INT 8 - Corral Hollow & I-580 EB Ramps_PM]

New Site
Site Category: (None)
Roundabout

	Approaches			Intersection
	South	North	West	
LOS	A	A	A	A



Site Level of Service (LOS) Method: Delay & v/c (HCM 6). Site LOS Method is specified in the Parameter Settings dialog (Site tab).
Roundabout LOS Method: Same as Sign Control.
Lane LOS values are based on average delay and v/c ratio (degree of saturation) per lane.
LOS F will result if v/c > 1 irrespective of lane delay value (does not apply for approaches and intersection).
Intersection and Approach LOS values are based on average delay for all lanes (v/c not used as specified in HCM 6).
HCM Delay Formula option is used. Control Delay does not include Geometric Delay since Exclude Geometric Delay option applies.

LANE SUMMARY

Site: 101 [INT 9 - Corral Hollow & I-580 WB Ramps_PM]

New Site
Site Category: (None)
Roundabout

Lane Use and Performance

	Demand Flows Total veh/h	HV %	Cap. veh/h	Deg. Satn v/c	Lane Util. %	Average Delay sec	Level of Service	95% Back of Queue Veh	Dist ft	Lane Config	Lane Length ft	Cap. Adj. %	Prob. Block. %
South: Corral Hollow													
Lane 1[d]	742	2.0	1354	0.548	100	8.6	LOS A	0.0	0.0	Full	1600	0.0	0.0
Approach	742	2.0		0.548		8.6	LOS A	0.0	0.0				
East: I-580 WB Ramp													
Lane 1[d]	154	6.8	597	0.259	100	9.4	LOS A	1.0	26.8	Full	1600	0.0	0.0
Approach	154	6.8		0.259		9.4	LOS A	1.0	26.8				
North: Corral Hollow													
Lane 1[d]	151	4.0	1316	0.115	100	3.7	LOS A	0.5	12.2	Full	1600	0.0	0.0
Lane 2	235	8.0	1284	0.183	100	4.3	LOS A	0.8	20.7	Short	200	0.0	NA
Approach	386	6.4		0.183		4.1	LOS A	0.8	20.7				
Intersection	1283	3.9		0.548		7.3	LOS A	1.0	26.8				

Site Level of Service (LOS) Method: Delay & v/c (HCM 6). Site LOS Method is specified in the Parameter Settings dialog (Site tab).
Roundabout LOS Method: Same as Sign Control.
Lane LOS values are based on average delay and v/c ratio (degree of saturation) per lane.
LOS F will result if v/c > 1 irrespective of lane delay value (does not apply for approaches and intersection).
Intersection and Approach LOS values are based on average delay for all lanes (v/c not used as specified in HCM 6).
Roundabout Capacity Model: US HCM 6.
HCM Delay Formula option is used. Control Delay does not include Geometric Delay since Exclude Geometric Delay option applies.
Gap-Acceptance Capacity: Traditional M1.
HV (%) values are calculated for All Movement Classes of All Heavy Vehicle Model Designation.

d Dominant lane on roundabout approach

SIDRA INTERSECTION 8.0 | Copyright © 2000-2018 Akcelik and Associates Pty Ltd | sidrasolutions.com

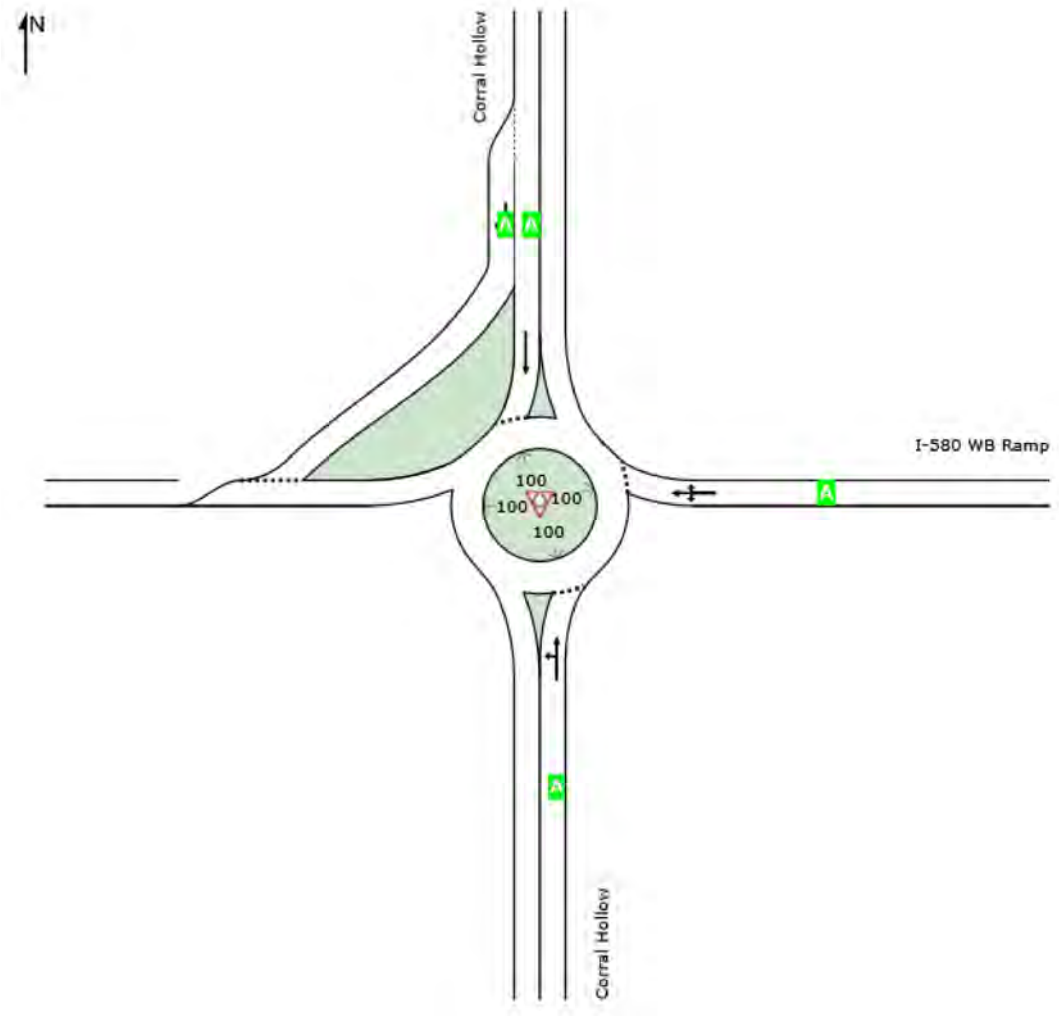
LANE LEVEL OF SERVICE

Lane Level of Service

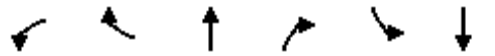
Site: 101 [INT 9 - Corral Hollow & I-580 WB Ramps_PM]

New Site
Site Category: (None)
Roundabout

	Approaches			Intersection
	South	East	North	
LOS	A	A	A	A



Site Level of Service (LOS) Method: Delay & v/c (HCM 6). Site LOS Method is specified in the Parameter Settings dialog (Site tab).
Roundabout LOS Method: Same as Sign Control.
Lane LOS values are based on average delay and v/c ratio (degree of saturation) per lane.
LOS F will result if v/c > 1 irrespective of lane delay value (does not apply for approaches and intersection).
Intersection and Approach LOS values are based on average delay for all lanes (v/c not used as specified in HCM 6).
HCM Delay Formula option is used. Control Delay does not include Geometric Delay since Exclude Geometric Delay option applies.

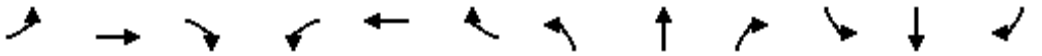


Movement	WBL	WBR	NBT	NBR	SBL	SBT
Lane Configurations						
Traffic Volume (veh/h)	392	63	512	435	61	446
Future Volume (veh/h)	392	63	512	435	61	446
Initial Q (Qb), veh	0	0	0	0	0	0
Ped-Bike Adj(A_pbT)	1.00	1.00		1.00	1.00	
Parking Bus, Adj	1.00	1.00	1.00	1.00	1.00	1.00
Work Zone On Approach	No		No			No
Adj Sat Flow, veh/h/ln	1737	1870	1870	1841	1811	1870
Adj Flow Rate, veh/h	431	69	563	478	67	490
Peak Hour Factor	0.91	0.91	0.91	0.91	0.91	0.91
Percent Heavy Veh, %	11	2	2	4	6	2
Cap, veh/h	507	486	798	665	254	798
Arrive On Green	0.31	0.31	0.43	0.43	0.43	0.43
Sat Flow, veh/h	1654	1585	1870	1560	525	1870
Grp Volume(v), veh/h	431	69	563	478	67	490
Grp Sat Flow(s),veh/h/ln	1654	1585	1870	1560	525	1870
Q Serve(g_s), s	11.0	1.4	11.1	11.4	5.4	9.2
Cycle Q Clear(g_c), s	11.0	1.4	11.1	11.4	16.5	9.2
Prop In Lane	1.00	1.00		1.00	1.00	
Lane Grp Cap(c), veh/h	507	486	798	665	254	798
V/C Ratio(X)	0.85	0.14	0.71	0.72	0.26	0.61
Avail Cap(c_a), veh/h	633	606	865	721	273	865
HCM Platoon Ratio	1.00	1.00	1.00	1.00	1.00	1.00
Upstream Filter(I)	1.00	1.00	1.00	1.00	1.00	1.00
Uniform Delay (d), s/veh	14.6	11.3	10.6	10.7	17.4	10.0
Incr Delay (d2), s/veh	8.8	0.1	2.4	3.2	0.5	1.1
Initial Q Delay(d3),s/veh	0.0	0.0	0.0	0.0	0.0	0.0
%ile BackOfQ(50%),veh/ln	4.1	0.4	3.2	2.9	0.6	2.6
Unsig. Movement Delay, s/veh						
LnGrp Delay(d),s/veh	23.5	11.4	13.0	13.8	17.9	11.2
LnGrp LOS	C	B	B	B	B	B
Approach Vol, veh/h	500		1041			557
Approach Delay, s/veh	21.8		13.4			12.0
Approach LOS	C		B			B

Timer - Assigned Phs		2			6	8
Phs Duration (G+Y+Rc), s		25.4			25.4	19.6
Change Period (Y+Rc), s		6.2			6.2	5.8
Max Green Setting (Gmax), s		20.8			20.8	17.2
Max Q Clear Time (g_c+I1), s		13.4			18.5	13.0
Green Ext Time (p_c), s		2.8			0.7	0.8

Intersection Summary	
HCM 6th Ctrl Delay	15.0
HCM 6th LOS	B

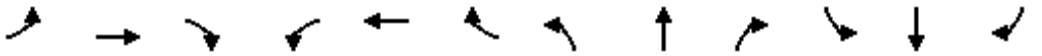
A.2 – Near Term Plus Project Synchro Outputs



Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations												
Traffic Volume (veh/h)	184	0	187	38	0	23	30	255	2	22	918	135
Future Volume (veh/h)	184	0	187	38	0	23	30	255	2	22	918	135
Initial Q (Qb), veh	0	0	0	0	0	0	0	0	0	0	0	0
Ped-Bike Adj(A_pbT)	1.00		1.00	1.00		1.00	1.00		1.00	1.00		1.00
Parking Bus, Adj	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Work Zone On Approach		No			No			No			No	
Adj Sat Flow, veh/h/ln	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870
Adj Flow Rate, veh/h	200	0	203	41	0	25	33	277	2	24	998	147
Peak Hour Factor	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
Percent Heavy Veh, %	2	2	2	2	2	2	2	2	2	2	2	2
Cap, veh/h	278	0	244	52	192	163	43	1095	928	35	1087	921
Arrive On Green	0.08	0.00	0.15	0.03	0.00	0.10	0.02	0.59	0.59	0.02	0.58	0.58
Sat Flow, veh/h	3456	0	1585	1781	1870	1585	1781	1870	1585	1781	1870	1585
Grp Volume(v), veh/h	200	0	203	41	0	25	33	277	2	24	998	147
Grp Sat Flow(s),veh/h/ln	1728	0	1585	1781	1870	1585	1781	1870	1585	1781	1870	1585
Q Serve(g_s), s	5.7	0.0	12.6	2.3	0.0	1.5	1.9	7.3	0.1	1.4	48.6	4.3
Cycle Q Clear(g_c), s	5.7	0.0	12.6	2.3	0.0	1.5	1.9	7.3	0.1	1.4	48.6	4.3
Prop In Lane	1.00		1.00	1.00		1.00	1.00		1.00	1.00		1.00
Lane Grp Cap(c), veh/h	278	0	244	52	192	163	43	1095	928	35	1087	921
V/C Ratio(X)	0.72	0.00	0.83	0.79	0.00	0.15	0.78	0.25	0.00	0.70	0.92	0.16
Avail Cap(c_a), veh/h	613	0	471	154	387	328	70	1352	1146	107	1391	1179
HCM Platoon Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Upstream Filter(I)	1.00	0.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Uniform Delay (d), s/veh	45.6	0.0	41.7	49.0	0.0	41.5	49.3	10.2	8.7	49.5	19.1	9.8
Incr Delay (d2), s/veh	3.5	0.0	7.2	22.2	0.0	0.4	25.4	0.1	0.0	22.1	8.4	0.1
Initial Q Delay(d3),s/veh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
%ile BackOfQ(50%),veh/ln	2.6	0.0	5.3	1.3	0.0	0.6	1.1	2.6	0.0	0.8	19.7	1.4
Unsig. Movement Delay, s/veh												
LnGrp Delay(d),s/veh	49.0	0.0	48.9	71.2	0.0	42.0	74.6	10.4	8.7	71.6	27.5	9.9
LnGrp LOS	D	A	D	E	A	D	E	B	A	E	C	A
Approach Vol, veh/h		403			66			312			1169	
Approach Delay, s/veh		49.0			60.1			17.1			26.2	
Approach LOS		D			E			B			C	

Timer - Assigned Phs	1	2	3	4	5	6	7	8
Phs Duration (G+Y+Rc), s	7.1	65.7	8.1	20.7	7.5	65.2	13.3	15.5
Change Period (Y+Rc), s	5.1	6.2	5.1	5.1	5.1	6.2	5.1	5.1
Max Green Setting (Gmax), s	6.1	73.4	8.8	30.2	4.0	75.5	18.0	21.0
Max Q Clear Time (g_c+I1), s	3.4	9.3	4.3	14.6	3.9	50.6	7.7	3.5
Green Ext Time (p_c), s	0.0	1.5	0.0	1.0	0.0	8.4	0.4	0.0

Intersection Summary	
HCM 6th Ctrl Delay	30.6
HCM 6th LOS	C



Movement	EBL	EBT	EBR	WBL	WBT	WBR	NBL	NBT	NBR	SBL	SBT	SBR
Lane Configurations												
Traffic Volume (veh/h)	343	0	74	13	0	35	250	530	23	84	273	545
Future Volume (veh/h)	343	0	74	13	0	35	250	530	23	84	273	545
Initial Q (Qb), veh	0	0	0	0	0	0	0	0	0	0	0	0
Ped-Bike Adj(A_pbT)	1.00		1.00	1.00		1.00	1.00		1.00	1.00		1.00
Parking Bus, Adj	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Work Zone On Approach		No			No			No			No	
Adj Sat Flow, veh/h/ln	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870	1870
Adj Flow Rate, veh/h	373	0	80	14	0	38	272	576	25	91	297	592
Peak Hour Factor	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
Percent Heavy Veh, %	2	2	2	2	2	2	2	2	2	2	2	2
Cap, veh/h	491	0	284	24	95	81	192	838	710	117	759	643
Arrive On Green	0.14	0.00	0.18	0.01	0.00	0.05	0.11	0.45	0.45	0.07	0.41	0.41
Sat Flow, veh/h	3456	0	1585	1781	1870	1585	1781	1870	1585	1781	1870	1585
Grp Volume(v), veh/h	373	0	80	14	0	38	272	576	25	91	297	592
Grp Sat Flow(s),veh/h/ln	1728	0	1585	1781	1870	1585	1781	1870	1585	1781	1870	1585
Q Serve(g_s), s	7.6	0.0	3.2	0.6	0.0	1.7	7.9	18.0	0.6	3.7	8.2	25.9
Cycle Q Clear(g_c), s	7.6	0.0	3.2	0.6	0.0	1.7	7.9	18.0	0.6	3.7	8.2	25.9
Prop In Lane	1.00		1.00	1.00		1.00	1.00		1.00	1.00		1.00
Lane Grp Cap(c), veh/h	491	0	284	24	95	81	192	838	710	117	759	643
V/C Ratio(X)	0.76	0.00	0.28	0.58	0.00	0.47	1.42	0.69	0.04	0.78	0.39	0.92
Avail Cap(c_a), veh/h	797	0	734	97	536	455	192	881	747	148	835	708
HCM Platoon Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Upstream Filter(I)	1.00	0.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Uniform Delay (d), s/veh	30.2	0.0	26.0	35.9	0.0	33.8	32.7	16.1	11.3	33.7	15.4	20.6
Incr Delay (d2), s/veh	2.5	0.0	0.5	20.2	0.0	4.2	214.8	2.1	0.0	18.2	0.3	16.5
Initial Q Delay(d3),s/veh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
%ile BackOfQ(50%),veh/ln	3.2	0.0	1.2	0.4	0.0	0.7	14.6	6.7	0.2	2.0	3.0	11.4
Unsig. Movement Delay, s/veh												
LnGrp Delay(d),s/veh	32.7	0.0	26.5	56.1	0.0	38.0	247.4	18.2	11.4	51.9	15.7	37.2
LnGrp LOS	C	A	C	E	A	D	F	B	B	D	B	D
Approach Vol, veh/h		453			52			873			980	
Approach Delay, s/veh		31.6			42.9			89.5			32.0	
Approach LOS		C			D			F			C	

Timer - Assigned Phs	1	2	3	4	5	6	7	8
Phs Duration (G+Y+Rc), s	9.9	39.0	6.1	18.2	13.0	35.9	15.5	8.8
Change Period (Y+Rc), s	5.1	6.2	5.1	5.1	5.1	6.2	5.1	5.1
Max Green Setting (Gmax), s	6.1	34.5	4.0	33.9	7.9	32.7	16.9	21.0
Max Q Clear Time (g_c+I1), s	5.7	20.0	2.6	5.2	9.9	27.9	9.6	3.7
Green Ext Time (p_c), s	0.0	2.9	0.0	0.4	0.0	1.8	0.8	0.1

Intersection Summary	
HCM 6th Ctrl Delay	53.4
HCM 6th LOS	D

Notes

User approved pedestrian interval to be less than phase max green.

RESOLUTION 2020-_____

APPROVING A GENERAL PLAN AMENDMENT FOR THE TRACY HILLS VILLAGE 7C PROJECT, APPLICATION NUMBER GPA20-0002

WHEREAS, The Tracy Hills Specific Plan consists of approximately 2,732 acres located in the vicinity of the existing Corral Hollow Road interchange and the proposed Lammers Road interchange on Interstate 580, and

WHEREAS, On April 5, 2016, City Council certified an Environmental Impact Report and approved a General Plan Amendment, a comprehensive update to the Tracy Hills Specific Plan, and a Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, which consists of approximately 417 acres and includes approximately 1,160 single-family residential lots, and

WHEREAS, The entire residential area of Tracy Hills Phase 1A has a General Plan designation of Residential Low, and

WHEREAS, On May 5, 2020, an application was submitted for a proposed General Plan Amendment to the Tracy Hills Village 7C area, which consists of approximately 28 acres located within Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive, Application Number GPA20-0002, and

WHEREAS, The proposed General Plan Amendment would change the General Plan land use designation on Tracy Hills Village 7C from Residential Low to Residential Medium, which is a change to the General Plan Land Use Designations Map, Figure 2-2, and

WHEREAS, The General Plan's Residential Medium designation has a density range of 5.9 to 12.0 dwelling units per acre, and

WHEREAS, Allowing a greater variety of lot types, building types and densities within residential neighborhoods is beneficial to accommodating a wide range of housing objectives, buyer needs, and affordability, and is encouraged by the General Plan, as stated in the following General Plan policies:

LU-4.1 Policy P1: Residential neighborhoods should contain a mix of housing types including single-family homes on a range of lot sizes; townhomes; duplexes, triplexes and fourplexes; and apartments.

CC-6 Policy P2: Neighborhoods shall be designed to provide a mix of housing types such as single-family, duplex, triplex, fourplex, townhomes and apartments, and

WHEREAS, An Environmental Impact Report (EIR) was certified by the City Council on April 5, 2016 for the Tracy Hills Specific Plan. An Initial Study has been prepared in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines to document the finding that none of the conditions or circumstances that would require preparation of a subsequent EIR, pursuant to Sections 15162 and 15168 of the CEQA Guidelines, exist in connection with the proposed Tracy Hills Village 7C Project Therefore, pursuant to Section 15168(c)(2), no further environmental document is required, and

WHEREAS, The Planning Commission considered this matter at a duly noticed public

hearing held on September 23, 2020 and recommended that the City Council approve a General Plan Amendment for the Tracy Hills Village 7C Project, Application Number GPA20-0002, and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on October 20, 2020;

NOW, THEREFORE BE IT RESOLVED as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein as findings.

2. General Plan Amendment. The City Council hereby approves a General Plan Amendment, Application Number GPA20-0002, as attached to the October 20, 2020 City Council staff report as Attachment "A."

3. Effective Date. This resolution shall be effective immediately.

* *

The foregoing Resolution 2020-_____ was passed and adopted by the City Council of the City of Tracy on the 20th day of October 2020, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

ORDINANCE _____

AN ORDINANCE OF THE CITY OF TRACY APPROVING AN AMENDMENT TO THE TRACY HILLS SPECIFIC PLAN FOR THE TRACY HILLS VILLAGE 7C PROJECT APPLICATION NUMBER SPA20-0003

WHEREAS, The Tracy Hills Specific Plan consists of approximately 2,732 acres located in the vicinity of the existing Corral Hollow Road interchange and the proposed Lammers Road interchange on Interstate 580; and

WHEREAS, On April 5, 2016, City Council certified an Environmental Impact Report and approved a General Plan Amendment, a comprehensive update to the Tracy Hills Specific Plan, and a Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, which consists of approximately 417 acres and includes approximately 1,160 single-family residential lots; and

WHEREAS, All residential areas within Tracy Hills Phase 1A are currently zoned as Low Density Residential; and

WHEREAS, On May 5, 2020, an application was submitted for a proposed amendment to the Tracy Hills Specific Plan for the Tracy Hills Village 7C Project, which consists of approximately 28 acres located within Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive, Application Number SPA20-0003; and

WHEREAS, The proposed Tracy Hills Specific Plan Amendment (SPA) includes rezoning the Village 7C area from Low Density Residential (LDR-TH) to Medium Density Residential (MDR-TH); and

WHEREAS, The proposed SPA also includes a series of updates to the development standards for the MDR-TH zoning district to allow for duets, which is a building type involving two attached single-family homes on separate lots; and

WHEREAS, Additionally, the proposed SPA includes revisions to allow more flexibility related to design specifications for the lighting standards; and

WHEREAS, The proposed rezoning of Village 7C from Low Density Residential to Medium Density Residential would allow a greater range of lot types, building types and densities within Tracy Hills Phase 1A; and

WHEREAS, The proposed SPA is consistent with the General Plan designation of Residential Medium, as amended; and

WHEREAS, Allowing a greater variety of lot types, building types and densities within residential neighborhoods is beneficial to accommodating a wide range of housing objectives,

buyer needs, and affordability, and is encouraged by the General Plan, as stated in the following General Plan policies:

LU-4.1 Policy P1: Residential neighborhoods should contain a mix of housing types including single-family homes on a range of lot sizes; townhomes; duplexes, triplexes and fourplexes; and apartments.

CC-6 Policy P2: Neighborhoods shall be designed to provide a mix of housing types such as single-family, duplex, triplex, fourplex, townhomes and apartments; and

WHEREAS, An Environmental Impact Report (EIR) was certified by the City Council on April 5, 2016 for the Tracy Hills Specific Plan. An Initial Study has been prepared in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines to document the finding that none of the conditions or circumstances that would require preparation of a subsequent EIR, pursuant to Sections 15162 and 15168 of the CEQA Guidelines, exist in connection with the proposed Tracy Hills Village 7C Project. Therefore, pursuant to Section 15168(c)(2), no further environmental document is required; and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on September 23, 2020 and recommended that the City Council introduce this ordinance approving a Tracy Hills Specific Plan Amendment for the Tracy Hills Village 7C Project, Application Number SPA20-0003; and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on October 20, 2020;

The City Council of the City of Tracy does ordain as follows:

SECTION 1. The foregoing recitals are true and correct and are incorporated herein as findings.

SECTION 2. The City Council hereby approves the Tracy Hills Specific Plan Amendment for the Tracy Hills Village 7C Project, Application Number SPA20-0003, as attached to the October 20, 2020 City Council staff report as Attachment “B.”

SECTION 3. This Ordinance shall take effect 30 days after its final passage and adoption.

SECTION 4. This Ordinance shall either (1) be published once in a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk’s office at least five days before the ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the ordinance. (Gov’t. Code §36933.)

* *

This Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the 20th day of October, 2020, and finally adopted on the _____ day of November, 2020, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

RESOLUTION 2020-_____

APPROVING A VESTING TENTATIVE SUBDIVISION MAP FOR THE TRACY HILLS VILLAGE 7C PROJECT TO CREATE 132 SINGLE-FAMILY RESIDENTIAL LOTS LOCATED WITHIN TRACY HILLS PHASE 1A IN THE VICINITY OF TRACY HILLS DRIVE APPLICATION NUMBER TSM20-0001

WHEREAS, The Tracy Hills Specific Plan consists of approximately 2,732 acres located in the vicinity of the existing Corral Hollow Road interchange and the proposed Lammers Road interchange on Interstate 580, and

WHEREAS, On April 5, 2016, City Council certified an Environmental Impact Report and approved a General Plan Amendment, a comprehensive update to the Tracy Hills Specific Plan, and a Vesting Tentative Subdivision Map for Tracy Hills Phase 1A, which consists of approximately 417 acres and includes approximately 1,160 single-family residential lots, and

WHEREAS, On January 23, 2020, an application was submitted for a Vesting Tentative Subdivision Map for the Tracy Hills Village 7C Project to create 132 single-family residential lots on approximately 19 acres located within Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive, Application Number TSM20-0001, and

WHEREAS, The previously approved Vesting Tentative Subdivision Map for Tracy Hills Phase 1A shows 66 lots, each 70-feet wide, in the Village 7C area, which was previously referred to as Village 6B. This application would split the lot widths in half result in 132 lots on approximately 19 acres with 35-foot wide lots in Village 7C, and

WHEREAS, The change in lots in the Village 7C area will be reflected in documents relating to Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 ("Tracy Hills CFD") subject to further City Council action during the October 20, 2020 Council meeting, and

WHEREAS, The proposed Vesting Tentative Subdivision Map is consistent with the General Plan and the Tracy Hills Specific Plan, as amended, and

WHEREAS, The proposed Vesting Tentative Subdivision Map is consistent with the Tracy Municipal Code, Title 12, Subdivisions, and

WHEREAS, The site is physically suitable for the type of development and will be developed in accordance with City standards, and

WHEREAS, The site is physically suitable for the proposed density of development. The proposed density of 6.9 dwelling units per gross acre is consistent with the General Plan Residential Medium designation, which provides for a density range of 5.9 to 12.0 dwelling units per gross acre. Traffic circulation is designed in accordance with City standards for the proposed density to ensure adequate traffic service levels are met, and

WHEREAS, The design of the subdivision or the proposed improvements will not cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat, and

WHEREAS, The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision, and

WHEREAS, The Project complies with all other applicable ordinances, regulations and guidelines of the City, including but not limited to, the local floodplain ordinance. The subject property is not located within any floodplain and the Project, with conditions, will meet all applicable City design and improvement standards, and

WHEREAS, All public facilities necessary to serve the subdivision or mitigate any impacts created by the subdivision will be constructed or assured before approval of a final map or issuance of a building or grading permit, and

WHEREAS, An Environmental Impact Report (EIR) was certified by the City Council on April 5, 2016 for the Tracy Hills Specific Plan. An Initial Study has been prepared in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines to document the finding that none of the conditions or circumstances that would require preparation of a subsequent EIR, pursuant to Sections 15162 and 15168 of the CEQA Guidelines, exist in connection with the proposed Tracy Hills Village 7C Project. Therefore, pursuant to Section 15168(c)(2), no further environmental document is required, and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on September 23, 2020 and recommended that the City Council approve the Vesting Tentative Subdivision Map for the Tracy Hills Village 7C Project, Application Number TSM20-0001, and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on October 20, 2020;

NOW, THEREFORE BE IT RESOLVED as follows:

Recitals. The foregoing recitals are true and correct and are incorporated herein as findings.

NOW, THEREFORE BE IT FURTHER RESOLVED that the City Council of the City of Tracy hereby approves the Vesting Tentative Subdivision Map for the Tracy Hills Village 7C Project to create 132 single-family residential lots on approximately 19 acres located within Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive, Application Number TSM20-0001, subject to the conditions stated in Exhibit “1” attached and made part hereof.

* * * * * * * * * * * * * * * * * *

The foregoing Resolution 2020-_____ was passed and adopted by the City Council of the City of Tracy on the 20th day of October 2020, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

Conditions of Approval for Tracy Hills Village 7C Project
Vesting Tentative Subdivision Map
Application Number TSM20-0001
October 20, 2020

Project: These Conditions of Approval shall apply to the Vesting Tentative Subdivision Map for the Tracy Hills Village 7C Project, Application Number TSM20-0001, including approximately 132 single-family residential lots and two HOA landscape parcels.

Property: The property consists of approximately 19 acres located in Village 7C of Tracy Hills Phase 1A, west of Corral Hollow Road in the vicinity of Tracy Hills Drive, Application Number TSM20-0001.

Community Facilities Districts: Certain conditions of approval herein involve the establishment of or annexation into one or more Community Facilities Districts (CFDs) to implement the Project. The imposition of conditions requiring or involving the establishment of or annexation into CFDs on the Property shall not limit the City from establishing additional CFDs over the Property, subject to an affirmative vote of the Property owner(s).

A. Definitions; Abbreviations.

The definitions in the City's zoning regulations (Tracy Municipal Code, Title 10, Chapter 10.08) and subdivision ordinance (Tracy Municipal Code, Title 12, Chapter 12.08) apply, and in addition:

1. "Applicant" means any person, or other legal entity, defined as a "Subdivider" by Section 12.08.010 of the City of Tracy Municipal Code.

2. "Development Services Director" means the Development Services Director of the City of Tracy, or any other person designated by the City Manager or the Development Services Director, to perform the duties set forth here. (The Development Services Director is also referred to in the Tracy Municipal Code as the Development and Engineering Services Director.)

3. "City Regulations" means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the Tracy Hills Specific Plan, the Tracy Municipal Code, ordinances, resolutions, written policies, written procedures, and the City's Design Documents (including the Standard Plans, Standard Specifications, Design Standards, and relevant Public Facility Master Plans).

4. "Conditions of Approval" or "Conditions" means these conditions of approval.

The following abbreviations may be used in these Conditions:

EIR	Environmental Impact Report	PI&RA	Park Improvement and Reimbursement Agreement
DIA	Deferred Improvement Agreement	PUE	Public Utility Easement
OIA	Offsite Improvement Agreement	TMC	Tracy Municipal Code

B. Planning Division Conditions of Approval

1. Compliance with laws. The Subdivider shall comply with all laws (federal, state, and local) related to the development of real property within the Project boundaries, including, but not limited to: the Planning and Zoning Law (Government Code sections 65000, et seq.), the Subdivision Map Act (Government Code sections 66410, et seq.), the California Environmental Quality Act (Public Resources Code sections 21000, et seq., "CEQA"), and the Guidelines for the California Environmental Quality Act (California Administrative Code, title 14, sections 15000, et seq., "CEQA Guidelines").

2. City Regulations. Unless specifically modified by these Conditions of Approval, the Subdivider shall comply with all City Regulations.

3. Mitigation Measures. The Subdivider shall comply with all applicable mitigation measures in the Final Subsequent Environmental Impact Report (EIR) for the Tracy Hills Specific Plan Project (State Clearinghouse No. 2013102053), which was certified by the City Council on April 5, 2016.

4. Notice of protest period. Pursuant to Government Code Section 66020, including Section 66020 (d)(1), the City HEREBY NOTIFIES the Subdivider that the 90-day approval period (in which the Subdivider may protest the imposition of any fees, dedications, reservations, or other exactions that are within the purview of the Mitigation Fee Act [Government Code section 66000 et seq.] ("Exactions") and imposed on this Project by these Conditions of Approval) shall begin on the date of the conditional approval of this Project. If the Subdivider fails to file a protest of the Exactions complying with all of the requirements of Government Code Section 66020 within this 90-day period, the Subdivider will be legally barred from later challenging any of the Exactions. The terms of this paragraph shall not affect any other deadlines or statutes of limitations set forth in the Mitigation Fee Act or other applicable law, or constitute a waiver of any affirmative defenses available to the City.

5. Conformance with Vesting Tentative Subdivision Map. All Final Maps shall be in substantial conformance with the approved Vesting Tentative Subdivision Map (Application Number TSM20-0001), which was received by the Development Services Department on September 16, 2020 and approved by the City Council on _____, 2020, unless modified by these Conditions.

6. Schools. Before issuance of a building permit for each new dwelling, the Subdivider shall document compliance with all applicable school mitigation requirements and provide to the City a certificate of compliance for such requirements from the Jefferson School District and Tracy Unified School District.

C. Engineering Division Conditions of Approval

C.1. General Conditions

C.1.1 Subdivider shall comply with the applicable requirements of the approved documents, technical analyses/reports prepared for the Project listed as follows:

a) *Tracy Hills Specific Plan,* approved by City Council by Resolution No. 2016-063, dated April 5, 2016, and any amendments thereto.

b) *Tracy Hills Specific Plan Recirculated Draft Subsequent Environmental Impact Report,* Volume I; Section 4.13-Traffic and Circulation, prepared by Kimley-Horn and Associates, dated October 2015, and

Traffic Analysis of Tracy Hills Specific Plan Area- Phase 1a Residential Units and School Only Analysis, prepared by Kimley-Horn and Associates, dated April 27, 2015*. ("Traffic Analysis")*

c) *Tracy Hills Phase 1A and 1B Sanitary Sewer Study Technical Memorandum* prepared by Ruggeri-Jensen-Azar, dated December 12, 2013 ("*Sanitary Sewer Study*") and reviewed by CH2M Hill.

d) *Tracy Hills Water Study Technical Memorandum* prepared by Ruggeri-Jensen-Azar, dated December 5, 2014 ("*Water Study*") and reviewed by West Yost Associates.

e) *Tracy Hills Storm Drainage Master Plan* prepared by Ruggeri-Jensen-Azar, dated November 2013 ("*Storm Drainage Master Plan*") and reviewed by Stormwater Consulting, Inc.

f) *Tier 2 Storm Drainage Study for Tracy Hills Phase 1A,* prepared by Ruggeri-Jensen-Azar, dated July 2015 ("*Tier 2 Storm Drainage Study*") and reviewed by Stormwater Consulting, Inc.

g) *Citywide Water System Master Plan* prepared by West Yost Associates, dated December 2012,

h) *Plan Line Study – Corral Hollow Road prepared by Ruggeri-Jensen-Azar* ("*Corral Hollow Road Plan Line*") reviewed by the City Engineer.

i) Any *Finance Implementation Plan* ("*FIP*"), as described in Section 10.20.060(b)(3)(B) of the Tracy Municipal Code, that is approved by the City Council for the property described in the Tracy Hills Phase 1A Vesting Tentative Subdivision Map, Application No. TSM13-0005.

j) *Liquid Petroleum Pipeline Risk and California Aqueduct Flood Risk for the Proposed Tracy Hills School Site, Jefferson School District, City of Tracy, San Joaquin County, California* prepared by Wilson Geosciences, Inc. dated May 2013.

k) *Pipeline Safety Hazard Assessment, Tracy Hills Specific Plan* prepared by Place Works dated September 2014.

l) Amendment to the Tracy Hills Specific Plan for the Tracy Hills Village 7C Project, approved by City Council by Resolution No. 2020-___, dated _____, 2020.

m) Deferred Improvement Agreement, Tracy Hills-Phase 1A, executed between the City of Tracy and Subdivider, recorded February 12, 2020, in the official records of San Joaquin County as Document Number 2018-016153, and any amendments thereto.

n) Tracy Hills Phase 1A Village 6B (7C) Traffic Study, prepared by Kimley-Horn, Associates, dated August 10, 2020.

o) *Engineering Division Conditions of Approval,* as contained in the *Conditions of Approval for Tracy Hills Phase 1A Small-Lot Vesting Tentative Subdivision Map, Application Number TSM13-0005,* approved by City Council by Resolution No. 2016-066, dated April 5, 2016, and any amendments thereto ("Original Conditions").

C.1.2 Subdivider shall comply with the requirements of the Development Agreement, approved by City Council on April 19, 2016, by Ordinance No. 1213 (hereafter, the "Development Agreement").

C.1.3 Timing of Compliance: The Applicant shall satisfy each of the following conditions prior to filing the Final Map unless a different time for compliance is specifically stated in these Conditions of Approval. Any condition requiring an improvement that has already been designed and completed under a City-approved improvement agreement may be considered satisfied at the discretion of the City Engineer.

C.1.4 Incorporation by Reference. These Engineering Division Conditions of Approval for the Tracy Hills Village 7C Vesting Tentative Subdivision Map (TSM20-0001) hereby incorporate by reference all conditions set forth in the Original Conditions as referenced above. All conditions set forth in the Original Conditions shall remain in full force and effect, to the extent that such conditions are specifically applicable

to or triggered by the development of Tracy Hills Village 7C as approved herewith.

C.2. Improvement Plans

C.2.1 General

The Subdivider shall complete the Improvement Plans to comply with all applicable laws, including the City Regulations (defined above) and these Conditions of Approval. Improvement Plans shall contain the design, construction details and specifications of improvements that is/are required to serve the Project. The Improvement Plans shall be drawn on a 24" x 36" size 4-mil thick polyester film (mylar) and shall be prepared under the supervision of, and stamped and signed by a Registered Civil, Traffic, Electrical, Mechanical Engineer, and Registered Landscape Architect for the relevant work.

C.2.2 Storm Drainage

Storm drainage plans are to be submitted with the required hydrologic and hydraulic calculations for the sizing of storm drainage pipe(s) and shall comply with Storm Drainage Master Plan, Tier 2 Storm Drainage Study and City Regulations.

C.2.3 Sanitary Sewer

All sanitary sewer lines and associated improvements shall be designed and installed per the Sanitary Sewer Study and City Regulations. Before approval of the Final Map for the Project, Subdivider shall submit improvement plans and obtain approval for the plans for all on-site sewer improvements.

C.2.4 Water Distribution System

All potable water lines and associated improvements as identified in the Water Study (Water Line Improvements) shall be designed and installed per City Regulations.

C.2.5 Street Improvements

C.2.5.1 Subdivider is required to design and construct roadway and underground utility improvements to serve the Project. All improvements shall comply with City Regulations, and Tracy Hills Design Standards. Such improvements shall include, but are not limited to, roadways, water supply system, sewer system, storm drainage systems, curb and gutter, sidewalks, street lighting system, traffic signals, ITS systems, pavement and crosswalk striping, bicycle lanes and trails, roadway

signage and street signs, median islands, turn lanes, landscaping, and all necessary related improvements as required by the City.

C.2.5.2 The Subdivider shall dedicate all rights-of-way that are necessary to construct the in-tract streets based on their respective cross sections shown on the Vesting Tentative Subdivision Map with the Final Map for the respective phase. The width of travel lanes, street median, landscaping strip and sidewalk shall be in accordance with the Vesting Tentative Subdivision Map.

Design and construction details of the in-tract streets such as asphalt concrete pavement, curb, gutter, sidewalk, street light, water main, fire hydrant, landscaping with automatic irrigation system, storm drain, catch basin and drop inlets, sanitary sewer main and lateral, water main, individual water service and meter, pavement marking and striping, traffic sign, driveway, handicap ramp and other street improvements shall comply with City Regulations and shall be shown on the Improvement Plans.

C.2.5.3 All intersections shall be designed to accommodate fire truck movements as required by the Fire Department.

C.2.5.4 Subdivider must provide and verify sight distances, where applicable, with regard to reverse lots and fence placements as required by the City Engineer.

C.2.6 Public Utility Easements

C.2.6.1 The Subdivider shall submit improvement plans for the installation of electric, gas, telephone and TV cable lines that are to be installed under the sidewalk or within the PUE. Underground utility conduits may be installed under the sidewalks, and underground boxes and structures may be located in the landscaped parkway next to the curb. All above-ground boxes and facilities shall be behind the sidewalk and within the PUE. Pop-outs to provide additional width of PUE where required to accommodate larger above-ground structures will be permitted subject to review and approval by Public Works Director and the City Engineer. Before approval of the Final Map, the Subdivider shall complete the necessary coordination work with the respective owner(s) of the utilities to for approval.

C.2.6.2 Public Utility Easements on sideyard lots shall be adjusted in final neighborhood designs based on actual joint trench design requirements.

C.2.7 Phillips 66 Oil Pipeline Easement and Facilities

The Subdivider shall notify in writing the future buyers of lots about the existing Philips 66 easement and any requirements /restrictions relating to the existence of the easement. The Disclosure Statement(s) shall be made part of the Sale Deeds and recorded in compliance with the applicable law.

C.3. Final Map

The City will not approve the Final Map until the Subdivider demonstrates, to the satisfaction of the City Engineer, that all the requirements set forth in these Conditions of Approval are completed, including, but not limited to the following:

C.3.1 Subdivider has submitted one reproducible (mylar) copy of the approved tentative subdivision map for the Project after Subdivider's receipt of a notification of approval of the Tentative Subdivision Map. The signature of the owner of the Property on the Tentative Subdivision Map shall indicate the owner's consent to the preparation of the Tentative Subdivision Map and the proposed subdivision of the Property.

C.3.2 The Final Map is prepared in accordance with the applicable requirements of the Tracy Municipal Code, these Conditions of Approval, all other applicable City Regulations, and in substantial conformance with the Tentative Subdivision Map.

C.3.3 The Final Map includes and shows offer(s) of dedication of all right(s)-of-way and/or temporary or permanent easement(s) required by the Improvement Plans and Final Map, in accordance with City Regulations and these Conditions. If construction easement(s) is/are shown, it/they shall indicate the termination date of the construction easement(s).

C.3.4 Horizontal and vertical control for the Project shall be based upon the City of Tracy coordinate system and at least three 2nd order Class 1 control points establishing the "Basis of Bearing" and shown as such on the Final Map. The Final Map shall also identify surveyed ties from two of the horizontal control points to a minimum of two separate points adjacent to or within the Property described by the Final Map.

C.3.5 Subdivider has submitted a signed and stamped Engineer's Estimate that show construction cost of subdivision improvements that are described in Conditions C.2 above plus10% for construction contingencies.

C.3.6 Subdivision Improvement Agreement. Before the City's approval of the Final Map, the Subdivider shall execute a Subdivision Improvement

Agreement (for the public facilities required to serve the real property described by the Final Map), and post all required improvement security in accordance with City Regulations.

C.3.7 Improvement Security. The Subdivider shall provide improvement security for all public facilities, as required by Subdivision Improvement Agreement or Offsite Improvement Agreement. The form of the improvement security may be a surety bond, letter of credit or other form in accordance with City Regulations. The amount of the improvement security shall be as follows:

C.3.7.1 Faithful Performance (100% of the estimated cost of constructing the public facilities),

C.3.7.2 Labor & Material (100% of the estimated cost of constructing the public facilities), and

C.3.7.3 Warranty (10% of the estimated cost of constructing the public facilities)

C.3.7.4 Monumentation ($750 multiplied by the total number of street centerline monuments that are shown on the Final Map)

C.3.8 Subdivider has paid engineering review fees including improvement plan checking, final map review, agreement processing, and all other fees required by these Conditions of Approval and City Regulations.

C.3.9 Subdivider has submitted technical or materials specifications, cost estimate, and technical reports related to the design of improvements that are shown on the Improvement Plans and as required by these Conditions.

C.3.10 Subdivider has submitted hydrologic and storm drainage calculations for the design and sizing of in-tract storm drainage pipes located within the Project.

C.3.11 Subdivider has submitted signed and stamped Improvement Plans as required in Condition C.2 above.

C.4. Building Permit

The City will not approve any building permit within the Project boundaries until a Final Map is approved by the City Council and it is recorded at the San Joaquin County Recorder's Office, and the Subdivider demonstrates, to the reasonable satisfaction of the City Engineer, compliance with all the required Conditions including, but not limited to, the following, except that the timing of payment of fees shall be as approved in the Development Agreement:

C.4.1 Check payment of the applicable City Wide Roadway and Traffic, Water, Recycled Water, Wastewater, Storm Drainage, Public Safety, Public Facilities, and Park Development Impact Fees (adopted by Resolution 2014-010) as these relate to the Project and as required by these Conditions of Approval.

C.4.2 Check payment of applicable Regional Transportation Impact Fees (RTIF) as required in the Mitigation Monitoring and Reporting Program of the Final Environmental Impact Report and these Conditions of Approval.

C.4.3 Check payment of any applicable Agricultural Conversion or Mitigation Fee as required in Chapter 13.28 of the Tracy Municipal Code and the Mitigation Monitoring and Reporting Program of Tracy Hills Final Environmental Impact Report and these Conditions of Approval.

C.4.4 Payment of the San Joaquin County Facilities Fees as required in Chapter 13.24 of the TMC.

C.4.6 The Project developer(s) shall be required to pay the Transportation Impact Fee established pursuant to the written Agreement by and between the City of Tracy, LTA, the Sierra Club, the County of Alameda, and the City of Livermore to the City of Tracy prior to issuance of building permits for any residential portion of the Project. Said condition shall be incorporated into any development agreement or similar agreement if entered into by the developer and the City of Tracy. Said condition shall constitute the only regional traffic impact fee charged against the Project.

C.5. Final Building Inspection

The City will not perform final building inspection, except for model homes, until after the Subdivider provides documentation which demonstrates, to the reasonable satisfaction of the City Engineer, that:

C.5.1 The Subdivider has completed construction of all public facilities required to serve the building for which a certificate of occupancy is requested or a final building inspection has to be performed unless otherwise defined herein. Unless specifically provided in these Conditions, or the City Regulations, the Subdivider shall take all actions necessary to construct all public facilities required to serve the Project, and the Subdivider shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, land acquisition, program implementation, and contingency).

C.5.2 The Subdivider shall pay a fair share towards the cost of constructing the interim improvements at the Lammers Road/Old Schulte Road intersection, as determined by the City Engineer.

C.6. Temporary or Final Building Certificate of Occupancy

No Final Building Inspection shall be performed or a Temporary or Final Building Certificate of Occupancy will be issued by the City until after the Subdivider provides reasonable documentation which demonstrates, to the satisfaction of the City Engineer, that:

C.6.1 The Subdivider has satisfied all the requirements set forth in these Conditions of Approval.

C.6.2 The Subdivider has completed construction of all required public facilities for the building for which a certificate of occupancy is requested, unless otherwise defined herein. Unless specifically provided in these Conditions of Approval, or some other applicable City Regulations, the Subdivider shall use diligent and good faith efforts in taking all actions necessary to construct all public facilities required to serve the Project, and the Subdivider shall bear all costs related to construction of the public facilities (including all costs of design, construction, construction management, plan check, inspection, land acquisition, program implementation, and contingency).

C.7. Acceptance of Public Improvements

Public improvements will not be considered for City Council's acceptance until after the Subdivider demonstrates to the reasonable satisfaction of the City Engineer, completion of the following:

C.7.1 All the public improvements shown on the Improvement Plans are completed and all the deficiencies listed in the deficiency report prepared by the assigned Engineering Inspector are all corrected.

C.7.2 Subdivider has completed the 90-day public landscaping maintenance period.

C.7.3 Subdivider has submitted Certified "As-Built" Improvement Plans (or Record Drawings). Upon completion of the construction by the Subdivider, the City shall temporarily release the originals of the Improvement Plans to the Subdivider so that the Subdivider will be able to document revisions to show the "As Built" configuration of all improvements.

C.7.4 Where applicable, signed and notarized Grant Deed(s) with legal description(s) and plat maps for the offer of dedication of right-of-way, and Grant of Easements as required per these Conditions of Approval and City Regulations, or dedications shown on the Final Map.

C.8. Release of Improvement Security

City will release Improvement Security(s) to the Subdivider after City Council's acceptance of public improvements, both on-site and off-site, in accordance with TMC section 12.36.080, upon written request and submittal of the recorded Notice of Completion.

C.9. Special Conditions

C.9.1. All streets and utilities improvements within City's right-of-way shall be designed and constructed in accordance with City Regulations, except as otherwise specifically approved in the Tracy Hills Specific Plan.

C.9.2 When street cuts are made for installation of utilities, the Subdivider is required to install 2 inches thick asphalt concrete overlay with reinforcing fabric at least 25 feet from all sides and for the entire length of the utility trench. A 2 inches deep grind on the existing asphalt concrete pavement will be required where the asphalt concrete overlay will be applied and shall be uniform thickness in order to maintain current pavement grades, cross and longitudinal slopes. If the utility trench extends beyond the median island, the limit of asphalt concrete overlay shall be up to the lip of existing gutter located along that side of the street.

C.9.3. All improvement plans shall contain a note stating that the Developer (or Contractor) will be responsible to preserve and protect all existing survey monuments and other survey markers. Any damaged, displaced, obliterated or lost monuments or survey markers shall be re-established or replaced by a licensed Land Surveyor at the Developer's (or Contractor's) sole expense. A corner record must be filed in accordance with the State law for any reset monuments (California Business and Professions Code Section 8871).

C.9.4. Benefit District – The Subdivider may make a written request to the City for the formation of a Benefit District, before the approval of the final map and improvement plans for the public facility(s) considered to be oversized that benefits other property(s) or development(s). Reimbursement request(s) will be processed in accordance with TMC Chapter 12.60.

C.9.5. Nothing contained in these Conditions shall be construed to permit any violation of City Regulations. Subject, however, to City Regulations, this Condition does not preclude the City from requiring pertinent revisions and additional requirements to the final map, improvement agreements, and improvement plans, before the City Engineer's signature on the final map and improvement plans, if the City Engineer finds it necessary due to public health and safety reasons. (Government Code section 66498.6.) The Subdivider shall bear all the cost for the inclusion, design, and implementations of such additions and requirements, without reimbursement or any payment from the City.

RESOLUTION 2020-_____

APPROVING A DEVELOPMENT REVIEW PERMIT FOR THE ARCHITECTURAL DESIGN OF THE TRACY HILLS VILLAGE 7C PROJECT, WHICH CONSISTS OF A 132-LOT RESIDENTIAL SUBDIVISION WITH ATTACHED SINGLE-FAMILY DWELLINGS, DESIGNED AS DUETS, ON APPROXIMATELY 19 ACRES LOCATED WITHIN TRACY HILLS PHASE 1A IN THE VICINITY OF TRACY HILLS DRIVE, APPLICATION NUMBER D20-0023

WHEREAS, On July 14, 2020, an application was submitted for a Development Review Permit for the architectural design of the Tracy Hills Village 7C Project, which consists of a 132-lot residential subdivision with attached single-family dwellings, designed as duets, on approximately 19 acres located within Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive, Application Number D20-0023, and

WHEREAS, The building type is a duets product, which involves the pairing of two attached single-family homes on separate lots, and

WHEREAS, The proposed architecture includes three floor plans with four elevations for each plan type, and

WHEREAS, The duets would be constructed in three different building configurations, pairing Plans 1 and 2, Plans 1 and 3, and Plans 2 and 3, and

WHEREAS, The floor plan sizes would be approximately 1,800 square feet for Plan 1, approximately 2,000 square feet for Plan 2, and approximately 2,300 square feet for Plan 3, and

WHEREAS, In order to break up the building façade and deemphasize the view of the paired garages, one of each two garages would be pushed back five feet or more from the face of the other garage so that both garages would not be on the same plane, and

WHEREAS, The proposal increases the quality of the project site and enhances the property in a manner that therefore improves the property in relation to the surrounding area and the citizens of Tracy because the architecture is consistent with the Tracy Hills Specific Plan and has incorporated significant variation between the floor plans and elevations, and used a mix of building materials and architectural features on all four sides of each house, and

WHEREAS, The proposal conforms to Chapter 10.08, Zoning Regulations, of the Tracy Municipal Code, the Tracy Hills Specific Plan, the City of Tracy General Plan, the Citywide Design Goals and Standards, applicable Infrastructure Master Plans, and other City regulations, and

WHEREAS, An Environmental Impact Report (EIR) was certified by the City Council on April 5, 2016 for the Tracy Hills Specific Plan. An Initial Study has been prepared in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines to document the finding that none of the conditions or circumstances that would require preparation of a subsequent EIR, pursuant to Sections 15162 and 15168 of the CEQA Guidelines, exist in connection with the proposed Tracy Hills Village 7C Project. Therefore, pursuant to Section 15168(c)(2), no further environmental document is required, and

WHEREAS, The Planning Commission considered this matter at a duly noticed public hearing held on September 23, 2020 and recommended that the City Council approve the Development Review Permit for the Tracy Hills Village 7C Project, Application Number D20-0023, and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on October 20, 2020;

NOW, THEREFORE BE IT RESOLVED as follows:

Recitals. The foregoing recitals are true and correct and are incorporated herein as findings.

NOW, THEREFORE BE IT FURTHER RESOLVED, That the City Council of the City of Tracy hereby approves the Development Review Permit for the architectural design of the Tracy Hills Village 7C Project, which consists of a 132-lot residential subdivision with attached single-family dwellings, designed as duets, on approximately 19 acres located within Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive, Application Number D20-0023, subject to the conditions stated in Exhibit "1" attached and made part here of.

* *

The foregoing Resolution 2020-_____ was passed and adopted by the City Council of the City of Tracy on the 20th day of October 2020, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

Conditions of Approval for Tracy Hills Village 7C Project
Development Review Permit
Application Number D20-0023
October 20, 2020

These Conditions of Approval shall apply to the Development Review permit for the architectural design of the Tracy Hills Village 7C Project, which consists of a 132-lot residential subdivision with attached single-family dwellings, designed as duets, on approximately 19 acres located within Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive, Application Number D20-0023.

A. Definitions.

The following definitions shall apply to these Conditions of Approval:

1. "Applicant" means any person, or other legal entity, defined as a "Developer".

2. "Developer" means any person, or other legal entity, who applies to the City to divide or cause to be divided real property within the Project boundaries, or who applies to the City to develop or improve any portion of the real property within the Project boundaries. The term "Developer" shall include all successors in interest.

3. "City Engineer" means the City Engineer of the City of Tracy, or any other duly licensed engineer designated by the City Manager, the Development Services Director, or the City Engineer, to perform the duties set forth herein.

4. "Development Services Director" means the Development Services Director of the City of Tracy, or any other person designated by the City Manager or the Development Services Director, to perform the duties set forth herein.

5. "City Regulations" means all written laws, rules, and policies established by the City, including those set forth in the City of Tracy General Plan, the Tracy Hills Specific Plan, the Tracy Municipal Code, ordinances, resolutions, policies, procedures, and the City's Design Documents (including the Standard Plans, Standard Specifications, Design Standards, and relevant Public Facility Master Plans).

6. "Conditions of Approval" means these conditions of approval applicable to the Development Review permit for the architectural design of the Tracy Hills Village 7C Project, which consists of a 132-lot residential subdivision with attached single-family dwellings, designed as duets, on approximately 19 acres located within Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive, Application Number D20-0023.

7. "Property" means the subject property of the Development Review permit for the architectural design of the Tracy Hills Village 7C Project, which consists of a 132-lot residential subdivision with attached single-family dwellings, designed as duets, on approximately 19 acres located within Tracy Hills Phase 1A in the vicinity of Tracy Hills Drive, Application Number D20-0023.

B. Planning Division Conditions of Approval

1. The Developer shall comply with all laws (federal, state, and local) related to the development of real property within the Project boundaries, including, but not limited to: the Planning and Zoning Law (Government Code sections 65000, et seq.), the Subdivision Map Act (Government Code sections 66410, et seq.), the California Environmental Quality Act (Public Resources Code sections 21000, et seq., "CEQA"), and the Guidelines for the California Environmental Quality Act (California Administrative Code, title 14, sections 15000, et seq., "CEQA Guidelines").

2. Unless specifically modified by these Conditions of Approval, the Developer shall comply with all City Regulations.

3. Pursuant to Government Code Section 66020, including Section 66020 (d)(1), the City HEREBY NOTIFIES the Developer that the 90-day approval period (in which the Developer may protest the imposition of any fees, dedications, reservations, or other exactions that are within the purview of the Mitigation Fee Act [Government Code section 66000 et seq.] ("Exactions") and imposed on this Project by these Conditions of Approval) shall commence on the date of the conditional approval of this Project. If the Developer fails to file a protest of the Exactions within this 90-day period, complying with all of the requirements of Government Code Section 66020, the Developer will be legally barred from later challenging any of the Exactions. The terms of this paragraph shall not affect any other deadlines or statutes of limitations set forth in the Mitigation Fee Act or other applicable law, or constitute a waiver of any affirmative defenses available to the City.

4. The project shall be developed in substantial compliance with the architectural packet received by the Development Services Department on September 16, 2020, to the satisfaction of the Development Services Director.

5. Prior to issuance of any building permits for Tracy Hills Village 7C, a development plan shall be submitted that complies with the Tracy Hills Specific Plan and the following requirements, to the satisfaction of the Development Services Director:

    a. Maximum of three houses with the same architectural style (e.g. Modern Spanish, Modern Cottage, etc.) may be located next to each other.
    b. No cases of the same floor plan used on three consecutive lots.
    c. No cases of the same floor plan with the same elevation used on two consecutive lots or directly across the street from each other.

October 20, 2020

AGENDA ITEM 3.C

REQUEST

ADOPT RESOLUTION SUPPLEMENTING RESOLUTION NO. 2016-161 (AS PREVIOUSLY SUPPLEMENTED) TO AUTHORIZE THE ISSUANCE AND SALE OF SPECIAL TAX BONDS FOR THE PURPOSE OF FINANCING AUTHORIZED FACILITIES, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS - IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)

EXECUTIVE SUMMARY

For the purpose of financing public facilities and public services for development in the Tracy Hills Specific Plan, the City Council previously acted under the Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act") to establish the following:

- City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "CFD"),
- Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) ("Improvement Area No. 1"), and
- City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (Future Annexation Area) (the "Future Annexation Area").

All of the property that is currently in the CFD is located in Improvement Area No. 1.

For the purpose of financing public improvements in Improvement Area No. 1, the City previously issued, for and on behalf of the CFD, two series of bonds:

- $32,625,000 initial principal amount Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2018 (the "2018 Bonds")
- $14,850,000 initial principal amount Improvement Area No. 1 of the City of Tracy Community Facilities City No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2019 (the "2019 Bonds"; together with the 2018 Bonds, the "Outstanding Bonds")

Staff recommends that the City Council adopt the referenced resolution (the "2020 Bond Resolution") for the purpose of authorizing the issuance of a third series of bonds on behalf of the CFD with respect to Improvement Area No. 1 and approving related documents.

DISCUSSION

LOCAL GOALS AND POLICIES

Section 53312.7(a) of the Mello-Roos Act requires the City to consider and adopt local goals and policies concerning the use of the Mello-Roos Act prior to the initiation of proceedings on or after January 1, 1994 to establish a new community facilities district.

The City adopted "Amended Local Goals and Policies for Community Facilities Districts (CFDs)" on February 4, 2014, by Resolution No. 2014-019 ("Goals and Policies").

The Goals and Policies provide guidance and conditions for the conduct by the City of proceedings for, and the issuance of bonds secured by special taxes levied in, a community facilities district established under the Mello-Roos Act.

CFD FORMATION PROCESS AND APPROVAL OF BONDS

Under the Mello-Roos Act, the City previously formed the CFD and Improvement Area No. 1 for the purpose of financing the public facilities and services described in the City Council's Resolution No. 2016-157 adopted on July 19, 2016 (the "Resolution of Formation"). All of the property that is currently in the CFD is located in Improvement Area No. 1.

In the Resolution of Formation, the City Council also provided for the levy of special taxes upon the land within the CFD and approved a rate and method of apportionment of special taxes for Improvement Area No. 1 (the "Improvement Area No. 1 Rate and Method") and approved an appropriations limit of $70,000,000 for Improvement Area No. 1 (the "Improvement Area No. 1 Appropriations Limit").

Pursuant to Resolution No. 2016-158, adopted by the City Council on July 19, 2016, the City Council declared the necessity to incur bonded indebtedness and other debt on behalf of the CFD with respect to Improvement Area No. 1 in an aggregate amount not to exceed $70,000,000 (the "Improvement Area No. 1 Indebtedness Limit").

At an election of the qualified electors in Improvement Area No. 1 held on July 19, 2016, the qualified electors approved the levy of special taxes according to the Improvement Area No. 1 Rate and Method, the Improvement Area No. 1 Bonded Indebtedness Limit and the Improvement Area No. 1 Appropriations Limit.

Pursuant to Resolution No. 2016-161, which was adopted on July 19, 2016 (the "Original Resolution of Issuance"), this Council authorized the issuance of up to $70,000,000 of bonded indebtedness and other debt on behalf of the CFD with respect to Improvement Area No. 1, directed staff to prepare documentation for such bonded indebtedness and other debt and return to this Council for approval of such documentation, and appointed U.S. Bank National Association as fiscal agent for such bonded indebtedness and other debt (the "Fiscal Agent").

Subsequently, after conducting change proceeds under the Mello-Roos Act, the City Council adopted Resolution No. 2018-169 on August 21, 2018 (the "Resolution of Change") in order, among other things, to increase the Improvement Area No. 1 Indebtedness Limit to $80,000,000.

As a result of the increase in the Improvement Area No. 1 Indebtedness Limit and the issuance of the Outstanding Bonds, the remaining unissued amount of bonded indebtedness of Improvement Area No. 1 is $32,525,000.

PROPOSED 2020 BONDS

Staff recommends that the City Council adopt the 2020 Bond Resolution to supplement the Original Resolution of Issuance for the following purposes:

(i) provide for the issuance of the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "2020 Bonds") in a principal amount not to exceed $21,500,000,

(ii) approve the sale of the 2020 Bonds to Piper Sandler & Co. (the "Underwriter"),

(iii) approve the documents related to the 2020 Bonds, and

(iv) authorize staff to take all actions necessary related to issuance of the 2020 Bonds.

TERMS OF THE 2020 BONDS

Pursuant to the Resolution, the true interest cost of the 2020 Bonds cannot exceed 5.50% and the principal amount of the 2020 Bonds cannot exceed $21,500,000. Government Code Section 5852.1 requires the City to obtain and disclose a good faith estimate of certain information about the 2020 Bonds, including the true interest cost, the financing costs, the use of proceeds and the total payment amount, and this information is included in Exhibit A of the 2020 Bond Resolution. Based upon current market conditions, the 2020 Bonds are estimated to be issued in the amount of $18,270,000, which does not include approximately $964,000 of net premium estimated to be generated. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds. At current market conditions, the 2020 Bonds are expected to carry a true interest cost of approximately 3.71%.

The Goals and Policies require a minimum value to lien ratio for special tax financings of 3:1 (the value-to-lien calculation compares (A) the market value of the taxable property in Improvement Area No. 1 to (B) the outstanding principal amount of the Outstanding Bonds, the proposed principal amount of the 2020 Bonds and the principal amount of any bonds issued by overlapping community facilities districts and assessment districts). Based on the current draft of the appraisal prepared by Integra Realty Resources (the "Appraiser"), the value of the property in Improvement Area No.1 has been determined to be not less than $398,408,000, resulting in an estimated value to lien ratio of greater than 3.00:1 per village based on the outstanding principal amount of the Outstanding Bonds and the projected principal amount of the 2020 Bonds ($65,610,000); there are no overlapping special tax or assessment bonds.

The 2020 Bonds are a limited obligation of the City, payable only from special taxes levied in Improvement Area No. 1 and moneys in the funds and accounts established under the Fiscal Agent Agreement described below. The 2020 Bonds will be payable from special taxes on a parity basis with the Outstanding Bonds.

DOCUMENTS RELATED TO THE 2020 BONDS

The City Council is being asked to approve each of the following:

1. Preliminary Official Statement. The Official Statement is the primary disclosure document for investors in the 2020 Bonds. A Preliminary Official Statement will be circulated to potential investors prior to the pricing of the 2020 Bonds. After the 2020 Bonds have been priced, a Final Official Statement will be circulated to investors; the Final Official Statement should be identical to the Preliminary Official Statement except for the addition of pricing information (principal amount, interest rates, redemption terms).

   The Preliminary Official Statement describes the special taxes to be levied in Improvement Area No. 1, each of the parcels to be taxed, and, based on information by the developers of property in Improvement Area No. 1, the development plans for the parcels within Improvement Area No. 1. The Preliminary Official Statement will also include the appraisal of the taxable parcels in Improvement Area No. 1.

   The Preliminary Official Statement is prepared by Jones Hall, serving the City as Bond Counsel and Disclosure Counsel for this transaction, with the assistance of the remainder of the financing team, including City staff; the property owners in Improvement Area No. 1; CSG Advisors Incorporated, the City's municipal advisor ("Municipal Advisor"); the Underwriter; and Goodwin Consulting, the City's special tax consultant ("Special Tax Consultant").

   The Preliminary Official Statement has been reviewed and approved for transmittal to the City Council by the City's financing team. The distribution of the Preliminary Official Statement by the City is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor in the 2020 Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the bonds. If the City Council concludes that the Preliminary Official Statement includes all facts that would be material to an investor in the 2020 Bonds, it must adopt a resolution that authorizes staff to execute a certificate to the effect that the Preliminary Official Statement has been "deemed final."

   The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over the City's compliance with the federal securities laws, has issued guidance as to the duties of the City Council with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761 / January 24, 1996) (the "Release"), the SEC stated that, if a member of the City Council has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the 2020 Bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are

adequately disclosed in the Preliminary Official Statement. In the Release, the SEC stated that the steps that a member of the City Council could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

The key sections of the Preliminary Official Statement are summarized below:

- "THE 2020 BONDS": This section summarizes the key terms of the 2020 Bonds, including payment dates and redemption provisions.
- "SECURITY FOR THE 2020 BONDS": This section summarizes key security terms, including the City's pledge of special tax revenues, its covenant to levy special taxes according to the Improvement Area No. 1 Rate and Method, as amended, and its covenant to foreclose on parcels that are delinquent in the payment of special taxes. As described above, the 2020 Bonds are a limited obligation of the City, payable only from special taxes levied in Improvement Area No. 1 and moneys in the funds and accounts established under the Fiscal Agent Agreement.
- "THE DISTRICT AND IMPROVEMENT AREA NO. 1": This section summarizes certain features of Improvement Area No. 1, including the appraised value of taxable property, overlapping taxes, assessments and debt and anticipated debt service coverage provided by maximum special taxes that may be levied under the RMA.
- "PROPERTY OWNERSHIP AND DEVELOPMENT STATUS": This section includes information provided by the property owners in Improvement Area No. 1, and describes the proposed development in Improvement Area No. 1 and its current status.
- "BOND OWNERS' RISK": This section highlights the primary risks associated with the 2020 Bonds, including failure to complete the proposed development, natural disasters and failure of property owners to pay their special taxes.
- "LEGAL MATTERS - Tax Exemption": This section describes the tax-exempt nature of interest on the 2020 Bonds.

2. Continuing Disclosure Certificate. Under SEC Rule 15c2-12, the underwriter of the 2020 Bonds may only purchase the 2020 Bonds if it has determined that the City is obligated to provide continuing disclosure, including annual updates of the financial and operating data included in the Official Statement and notices of certain specified events. One or more developers in Improvement Area No. 1 will also provide continuing disclosure on a semi-annual basis until certain development thresholds have been met.

3. Second Supplement to Fiscal Agent Agreement. The 2018 Bonds were issued under a Fiscal Agent Agreement between the City and the Fiscal Agent, and the 2019 Bonds were issued under a First Supplement to Fiscal Agent Agreement. The Second Supplement to Fiscal Agent Agreement provides for the use of the proceeds of the 2020 Bonds and the terms of the 2020 Bonds. The Fiscal Agent Agreement, as supplemented, governs the use of special taxes from Improvement Area No. 1 to pay debt service on the 2020 Bonds. The special taxes will be levied on the regular County tax roll and collected by the County from each taxable parcel in Improvement Area No. 1. The County will remit these

special taxes to the City. The City will remit them to the Fiscal Agent as provided for in the Fiscal Agent Agreement. The Fiscal Agent will use the revenues to (1) pay administrative costs of the CFD and (2) pay principal and interest to the owners of the 2018 Bonds, the 2019 Bonds and the 2020 Bonds and any future bonds issued under the Fiscal Agent Agreement.

4. Bond Purchase Agreement. At the time the 2020 Bonds are sold, the City will enter into a Bond Purchase Agreement with the Underwriter, who will agree to underwrite the 2020 Bonds subject to satisfaction of the conditions described in the Bond Purchase Agreement. The resolution provides the Underwriter's discount on the purchase of the 2020 Bonds may not exceed 1.50% of the par amount of the 2020 Bonds. The Underwriter was selected as underwriter prior to the issuance of the 2018 Bonds through an RFP process, and was chosen based upon the combination of its qualifications and proposed fees.

TRANSFER OF EXPECTED MAXIMUM FACILITIES SPECIAL TAX REVENUES

Section D3 of the Improvement Area No. 1 Rate and Method provides that the City may, in its sole discretion, allow for a transfer of Expected Maximum Facilities Special Tax Revenues between the Villages described in the Rate and Method if (i) the expected number of Residential Units is transferred from one Village to another, (ii) all adjustments are agreed to in writing by the affected property owners and the City, and (iii) there is no reduction in the total Expected Maximum Facilities Special Tax Revenues as a result of the transfer (as those terms are defined in the Improvement Area No. 1 Rate and Method).

On the date hereof, the City Council will consider a tentative map for a portion of the property in Improvement Area No. 1 that transfers the expected number of Residential Units from one Village to another by (i) decreasing the size of the 66 existing lots in Village 6B so that 132 residential lots are created and (ii) identifying the newly-created 132 residential lots as Village 7C.

The City has received a written request from Tracy Phase I, LLC (the "Developer"), which is the only property owner affected by the transfer of the units from Village 6B to Village 7C, in which the Developer (i) asks the City to (A) transfer the lots in Village 6B to Village 7C and to tax such lots under the Improvement Area No. 1 Rate and Method as Village 7C and (B) cause Attachment 1 to the Improvement Area No. 1 Rate and Method to be revised to reflect such transfer, and (ii) provides evidence that the proposed transfer of lots from Village 6B to Village 7C does not result in a reduction of the total Expected Maximum Facilities Special Tax Revenues for Improvement Area No. 1.

In connection with its consideration of the tentative map, the City Council will also consider the request to approve the transfer of Expected Maximum Facilities Special Tax Revenues from Village 6B and to Village 7C in accordance with Section D3 of the Improvement Area No. 1 Rate and Method.

STRATEGIC PLAN

Governance - Goal 2: Ensure continued Fiscal Sustainability through Financial and Budgetary Stewardship.

FISCAL IMPACT

The fees and expenses of the financing team, including Bond Counsel, Disclosure Counsel, Underwriter, Municipal Advisor, Special Tax Consultant and Appraiser are paid from proceeds of the 2020 Bonds or paid through an existing Cost Recovery Agreement with the developer.

RECOMMENDATION

That City Council, by resolution, adopt the 2020 Bond Resolution.

Prepared by: Karin Schnaider, Finance Director
Christopher Lynch, Jones Hall
Scott Smith, CSG Advisors Incorporated

Reviewed by: Midori Lichtwardt, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

A: Preliminary Official Statement (including Continuing Disclosure Certificates)
B: Second Supplement to Fiscal Agent Agreement
C: Bond Purchase Agreement

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2020

NEW ISSUE – BOOK-ENTRY ONLY **NOT RATED**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2020 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

$_____*
IMPROVEMENT AREA NO. 1
OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

Dated: Date of Delivery **Due: September 1, as shown on inside cover.**

Authority for Issuance. The bonds captioned above (the "2020 Bonds") are being issued by the City of Tracy (the "City") for and on behalf of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "District") with respect to its Improvement Area No. 1 ("Improvement Area No. 1") under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the Resolution of Issuance (as defined herein), and a Fiscal Agent Agreement dated as of August 1, 2018, as supplemented by a First Supplement to Fiscal Agent Agreement dated as of August 1, 2019, and as supplemented by a Second Supplement to Fiscal Agent Agreement dated as of November 1, 2020 (as supplemented, the "Fiscal Agent Agreement"), by and between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"). See "THE 2020 BONDS – Authority for Issuance."

Security and Sources of Payment. The 2020 Bonds are payable from proceeds of Special Taxes (as defined herein) levied on property within Improvement Area No. 1 according to the amended and restated rate and method of apportionment of special tax approved by the City Council of the City (the "City Council"), acting as legislative body of the District, and the eligible landowner voters in Improvement Area No. 1. The 2020 Bonds are secured by a first pledge of the revenues derived from the levy of Special Taxes and the moneys on deposit in certain funds held by the Fiscal Agent under the Fiscal Agent Agreement, on a parity with the 2018 Bonds and 2019 Bonds (defined below) and with bonds that may be issued in the future, subject to the conditions set forth in the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS."

Outstanding Parity Bonds. The 2020 Bonds represent the third series of special tax bonds issued with respect to Improvement Area No. 1. In August 2018 the City issued the first series of special tax bonds captioned "$32,625,000 Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2018" (the "2018 Bonds"). In August 2019 the City issued a second series of special tax bonds captioned "$14,850,000 Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2019" (the "2019 Bonds"). The 2018 Bonds, the 2019 Bonds, the 2020 Bonds and any future Parity Bonds (as defined herein) are referred to herein as the "Bonds."

Use of Proceeds. The 2020 Bonds are being issued to (i) finance the acquisition and construction of certain capital improvements necessary for the development of the property in the District, (ii) fund a debt service reserve fund for the 2020 Bonds, (iii) pay a portion of the interest on the 2020 Bonds coming due on March 1, 2020 and September 1, 2020, and (iv) pay the costs of issuing the 2020 Bonds. See "FINANCING PLAN."

Bond Terms. Interest on the 2020 Bonds is payable on each March 1 and September 1, commencing March 1, 2021. The 2020 Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. The 2020 Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the 2020 Bonds. See "THE 2020 BONDS – General Bond Terms" and "APPENDIX I – DTC and the Book-Entry Only System."

Redemption. The 2020 Bonds are subject to optional redemption, mandatory sinking fund redemption and special redemption from prepaid Special Taxes. See "THE 2020 BONDS - Redemption."

The 2020 Bonds are not general obligations of the City, but are limited obligations, payable solely from the Special Tax Revenues and the funds pledged therefor under the Fiscal Agent Agreement. Neither the faith and credit nor the taxing power of the City (except to the limited extent set forth in the Fiscal Agent Agreement) or of the State of California (the "State") or any political subdivision thereof is pledged to the payment of the 2020 Bonds.

MATURITY SCHEDULE

(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the 2020 Bonds involves risks which may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the 2020 Bonds.

The 2020 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and subject to certain other conditions. Jones Hall, A Professional Law Corporation, has served as disclosure counsel to the City. Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, is serving as counsel to the Underwriter, and Holland & Knight LLP, San Francisco, California, is serving as counsel to Tracy Phase I, LLC. It is anticipated that the 2020 Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about _____, 2020.

[Piper Sandler Logo]

The date of this Official Statement is: _____, 2020.

* Preliminary; subject to change.

MATURITY SCHEDULE

$ _____ Serial Bonds
(Base CUSIP†: _____)

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$ ___ __% Term Bond due September 1, 20___, Yield: __%, Price: __%
CUSIP† No. __

$ ___ __% Term Bond due September 1, 20___, Yield: __%, Price: __%
CUSIP† No. __

* Preliminary; subject to change.

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2020 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the City nor the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.*

CITY OF TRACY

CITY COUNCIL

Robert Rickman, *Mayor*
Nancy Young, *Mayor Pro Tem*
Dan Arriola, *Council Member*
Rhodesia Ransom, *Council Member*
Veronica Vargas, *Council Member*

CITY STAFF

Jenny Haruyama, City Manager
Karin Schnaider, Finance Director
Adrianne Richardson, City Clerk
Leticia Ramirez, Interim Attorney

PROFESSIONAL SERVICES

BOND COUNSEL and DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

MUNICIPAL ADVISOR

CSG Advisors Incorporated
San Francisco, California

SPECIAL TAX CONSULTANT

Goodwin Consulting Group, Inc.
Sacramento, California

APPRAISER

Integra Realty Resources, Inc.
Rocklin, California

MARKET ABSORPTION CONSULTANT

Empire Economics, Inc.
San Juan Capistrano, California

FISCAL AGENT

U.S. Bank National Association
San Francisco, California

TABLE OF CONTENTS

	Page
INTRODUCTION	1
FINANCING PLAN	6
Authorized Facilities	6
Estimated Sources and Uses of Funds	6
THE 2020 BONDS	7
Authority for Issuance	7
Bonded Indebtedness Limit	7
General Bond Terms	7
Redemption*	8
Registration, Transfer and Exchange	10
DEBT SERVICE SCHEDULE	12
SECURITY FOR THE BONDS	13
General	13
Limited Obligation	13
Special Taxes	14
Amended Rate and Method	15
Covenant to Foreclose	20
Special Tax Fund	21
Bond Fund	23
2020 Reserve Fund	24
Investment of Moneys in Funds	27
Issuance of Future Parity Bonds	27
THE DISTRICT AND IMPROVEMENT AREA NO. 1	30
Formation and Background	30
Description and Location	31
Authorized Facilities	33
Debt Service Coverage	33
City of Tracy Growth Management Ordinance (GMO)	33
Market Absorption Study	34
Environmental Matters	36
Appraised Values	37
Value-to-Lien Ratios and Share of Special Taxes	38
Direct and Overlapping Governmental Obligations	43
Potential Consequences of Special Tax Delinquencies	44
PROPERTY OWNERSHIP AND THE DEVELOPMENT	45
The Master Developer and Subsidiaries	45
The Tracy Hills Project	46
Public Improvements Required for the Tracy Hills Project	48
Acquisition Agreement	49
Development Plan for Improvement Area No. 1	50
Financing Plan for Improvement Area No. 1	52
The Merchant Builders	53
Lennar Homes	55
Meritage	62
Shea	65
BOND OWNERS' RISKS	68
Limited Obligation of the City to Pay Debt Service	68
Concentration of Ownership	68
Future Property Development	68
Levy and Collection of the Special Tax	69
COVID-19	70
Property Tax Delinquencies	70
Risks Related to High Loan to Value Ratios	71
Payment of Special Tax is not a Personal Obligation of the Property Owners	71
Appraised Values	72
Property Values	72
Other Possible Claims Upon the Value of Taxable Property	74
Exempt Properties	74
FDIC/Federal Government Interests in Properties	74
Depletion of 2020 Reserve Fund	76
Bankruptcy Delays	76
Cyber Security	77
Disclosure to Future Purchasers	77
No Acceleration Provisions	77
Impact of Certain Events on Tax Exemption	77
IRS Audit of Tax-Exempt Bond Issues	78
Voter Initiatives	78
Secondary Market for Bonds	79
LEGAL MATTERS	80
Legal Opinions	80
No Litigation	80
TAX MATTERS	80
CONTINUING DISCLOSURE	82
NO RATING	83
UNDERWRITING	83
PROFESSIONAL FEES	84
EXECUTION	84

APPENDIX A – General Information About the City of Tracy and San Joaquin County
APPENDIX B – Amended and Restated Rate and Method of Apportionment of Special Taxes for Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)
APPENDIX C – Appraisal Report
APPENDIX D – Market Absorption Study
APPENDIX E – Summary of Certain Provisions of the Fiscal Agent Agreement
APPENDIX F – Form of Opinion of Bond Counsel
APPENDIX G – Form of Issuer Continuing Disclosure Certificate
APPENDIX H – Form of Property Owner Continuing Disclosure Certificate
APPENDIX I – DTC and the Book-Entry Only System

[INSERT REGIONAL MAP]

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2020 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2020 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the City, the District, any other parties described in this Official Statement, or in the condition of property within Improvement Area No. 1 of the District since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the 2020 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the 2020 Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Fiscal Agent Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market prices of the 2020 Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2020 Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2020 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

The City maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

OFFICIAL STATEMENT

**$_____*
IMPROVEMENT AREA NO. 1
OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (Tracy Hills)
SPECIAL TAX BONDS, SERIES 2020**

INTRODUCTION

This Official Statement, including the cover page, inside cover and attached appendices, is provided to furnish information regarding the bonds captioned above (the "**2020 Bonds**") to be issued by the City of Tracy (the "**City**") on behalf of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "**District**") with respect to its Improvement Area No. 1 ("**Improvement Area No. 1**").

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside cover and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the 2020 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the definitions given in the Fiscal Agent Agreement (as defined below).

The District and Improvement Area No. 1. The District (and Improvement Area No. 1) is located west of Corral Hollow Road, south of W. Valpico Road and north of Interstate 580, in the City. The property in Improvement Area No. 1 is part of the larger master-planned community known as "Tracy Hills" (the "**Tracy Hills Project**" or the "**THPO Property**") being developed by The Tracy Hills Project Owner, LLC, a Delaware limited liability company ("**THPO**"). THPO is developing the property through six affiliated owners (the "**THPO Affiliates**"). THPO and the THPO Affiliates were formed as special-purpose entities managed by the principals of Integral Communities.

The District and Improvement Area No. 1 were formed and established by the City Council of the City (the "**City Council**"), as legislative body of the District, under the Mello-Roos Community Facilities Act of 1982, as amended (the "**Act**"), pursuant to a resolution adopted by the City Council following a public hearing, and a special landowner election at which the qualified electors of Improvement Area No. 1 authorized the City to incur bonded indebtedness with respect to Improvement Area No. 1, and approved the levy of special taxes within Improvement Area No. 1. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Formation and Background."

The City Council, as legislative body of the District, and the landowner elector, has authorized the incurrence of bonded indebtedness for Improvement Area No. 1 in an aggregate principal amount not to exceed $70,000,000, which was increased to $80,000,000 following the completion of the Change Proceedings (as defined below) in August 2018. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Formation and Background – Change Proceedings."

* Preliminary; subject to change.

At the time of establishment of the District and Improvement Area No. 1, a future annexation area was also established for the District (the "**Future Annexation Area**"), and parcels may annex into the District and Improvement Area No. 1 in the future; however, there is currently no intention for any additional territory to annex into Improvement Area No. 1. Parcels that annex into an improvement area within the District other than Improvement Area No. 1 do not serve as security for the 2020 Bonds.

Authority for Issuance of the 2020 Bonds. The 2020 Bonds are issued under the Act and the following:

• a resolution adopted by the City Council on July 19, 2016 (the "**Original Resolution**"), as supplemented and amended by a resolution adopted by the City Council on July 17, 2018 (the "**First Supplemental Resolution**"), as further supplemented and amended by a resolution adopted by the City Council on July 2, 2019 (the "Second Supplemental Resolution"), as further supplemented and amended by a resolution adopted by the City Council on October 20, 2020 (the "**Third Supplemental Resolution**" and, together with the Second Supplemental Resolution, the First Supplemental Resolution, and the Original Resolution, the "**Resolution of Issuance**"), and

• a Fiscal Agent Agreement dated as of August 1, 2018 (the "**Original Fiscal Agent Agreement**"), as supplemented by a First Supplement to Fiscal Agent Agreement dated as of August 1, 2019 (the "**First Supplemental Fiscal Agent Agreement**"), and as further supplemented by a Second Supplement to Fiscal Agent Agreement dated as of November 1, 2020 (the "**Second Supplemental Fiscal Agent Agreement**" and, together with the Original Fiscal Agent Agreement and the First Supplemental Fiscal Agent Agreement, the "**Fiscal Agent Agreement**"), by and between the City and U.S. Bank National Association, as fiscal agent (the "**Fiscal Agent**").

See "THE 2020 BONDS – Authority for Issuance."

Outstanding Parity Bonds. The 2020 Bonds represent the third series of special tax bonds issued under this authorization. In August 2018 the City issued the first series of special tax bonds under this authorization captioned "$32,625,000 Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2018" (the "**2018 Bonds**"), which are currently outstanding in the principal amount of $32,525,000. In August 2019 the City issued the second series of special tax bonds under this authorization captioned "$14,850,000 Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2019" (the "**2019 Bonds**"), which are currently outstanding in the principal amount of $14,815,000. The 2020 Bonds are payable on a parity with the 2018 Bonds, the 2019 Bonds and any future parity bonds ("**Parity Bonds**") issued under the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS – Issuance of Future Parity Bonds."

Purpose of the 2020 Bonds. Proceeds of the 2020 Bonds will be used primarily to finance the acquisition and construction of certain capital improvements necessary for the development of the property in the District. Proceeds of the 2020 Bonds will also fund a debt service reserve fund for the 2020 Bonds, pay a portion of the interest coming due on the 2020 Bonds on March 1, 2020 and September 1, 2020, and pay the costs of issuing the 2020 Bonds. See "FINANCING PLAN."

Redemption of Bonds before Maturity. The 2020 Bonds are subject to optional redemption, mandatory sinking fund redemption and special redemption from prepaid Special Taxes (as defined below). See "THE 2020 BONDS – Redemption."

Security and Sources of Payment for the 2020 Bonds. The City Council will annually levy special taxes on the property in Improvement Area No. 1 for the purposes of financing facilities (the

"**Special Taxes**") in accordance with the Amended and Restated Rate and Method of Apportionment of Special Taxes for Improvement Area No. 1 (the "**Amended Rate and Method**"). The 2020 Bonds are secured by and payable from a first pledge of the proceeds of the Special Taxes received by the City (as more particularly defined in the Fiscal Agent Agreement, the "**Special Tax Revenues**"), on a parity with the 2018 Bonds, the 2019 Bonds and any bonds that may be issued in the future, subject to the conditions set forth in the Fiscal Agent Agreement. The 2020 Bonds will be additionally secured by certain funds and accounts established and held under the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS."

Debt Service Reserve Fund. In order to further secure the payment of principal of and interest on the 2020 Bonds (and any series of Parity Bonds the principal of and interest on which is payable from amounts in the 2020 Reserve Fund), certain proceeds of the 2020 Bonds will be deposited into the 2020 Reserve Fund in an amount equal to the 2020 Reserve Requirement (as defined herein). The 2020 Reserve Fund does *not* secure the payment of principal of and interest on the 2018 Bonds or the 2019 Bonds. Neither the 2018 Reserve Fund (as defined herein) nor the 2019 Reserve Fund (as defined herein) secures the payment of principal of and interest on the 2020 Bonds.

See "FINANCING PLAN – Estimated Sources and Uses of Funds" and "SECURITY FOR THE BONDS – 2020 Reserve Fund."

Covenant to Foreclose. The City has covenanted in the Fiscal Agent Agreement to cause foreclosure proceedings to be commenced and prosecuted against certain parcels with delinquent installments of the Special Taxes. See "SECURITY FOR THE BONDS - Covenant to Foreclose."

Property Ownership and Special Tax Status. The taxable property in Improvement Area No. 1, consisting of approximately 351 acres, is being developed as 8 villages of single-family detached lots (each a "**Village**" and, collectively, the "**Villages**"). The property in Improvement Area No. 1 is owned by Lennar Homes of California, Inc. ("**Lennar Homes**"), Shea Homes, Inc. ("**Shea**"), Meritage Homes of California, Inc. ("**Meritage**"), and Tracy Phase I, LLC (which is a THPO Affiliate), all as further set forth below:

Property Owner (1)	Parcels of Developed Property (2)	Acres of Undeveloped Property (2)	Expected Residential Units	Projected FY 2021-22 Special Tax Levy (3)	% of Projected FY 2021-22 Special Tax Levy
Individual Homeowners	309	0.0	309	$949,012	27.3%
Lennar Homes					
Village 1	47	7.6	106	$268,093	7.7%
Village 3	40	1.9	51	160,364	4.6%
Village 4	44	7.6	100	265,650	7.6%
Village 5	20	22.2	157	478,985	13.8%
Village 8	26	15.3	115	382,543	11.0%
Subtotal	177	54.7	529	$1,555,635	44.8%
Shea					
Village 2	19	3.4	42	$121,618	3.5%
Meritage					
Village 7	38	9.2	121	$260,237	7.5%
Tracy Phase I, LLC					
Village 6	0	13.6	70	$246,694	7.1%
Village 7	0	18.8	132	340,858	9.8%
Subtotal	0	32.5	202	$587,552	16.9%
Total	**541**	**100.1**	**1,203**	**$3,474,054**	**100.0%**

(1) Based on the Appraisal.
(2) Under the Amended Rate and Method, Developed Property generally means, in any Fiscal Year, all parcels of taxable property for which a building permit for vertical construction was issued prior to June 30 of the preceding Fiscal Year, and Undeveloped Property generally means all parcels of taxable property that are not classified as Developed Property. See "SECURITY FOR THE BONDS – Amended Rate and Method."
(3) Based on the building permits for vertical construction issued by the City as of September 15, 2020, and assumes no further development. The projected special tax levy for Fiscal Year 2021-22 includes the estimated debt service due on the 2018 Bonds, 2019 Bonds, and 2020 Bonds, plus an estimated $43,650 in administrative expenses.
(4) Represents an allocation of the market values reported in the Appraisal. The allocated values may not be indicative of the market values of the groupings or the individual lots. Does not include rounding shown in the Appraisal.
(5) Allocated based on the projected Fiscal Year 2021-22 special tax levy. Includes the $32,525,000 outstanding principal amount of the 2018 Bonds, the $14,815,000 outstanding principal amount of the 2019 Bonds, plus the estimated $18,300,000* principal amount of the 2020 Bonds.
(6) No other community facilities districts or assessment districts currently have overlapping bonded debt affecting the property in Improvement Area No. 1. Does not take into account overlapping general obligation bond debt.
Source: Integra Realty Resources; Piper Sandler & Co.; Goodwin Consulting Group, Inc.

Improvement Area No. 1 is projected to be developed into 1,203 residential units. Improvement Area No. 1 will also include a fire station and open space and HOA property (including an HOA welcome center). For a description of the current status of development within Improvement Area No. 1, see "PROPERTY OWNERSHIP AND THE DEVELOPMENT – The Merchant Builders," "– Lennar Homes," "– Meritage" and "– Shea."

Tracy Phase I, LLC does not intend to construct residential homes in Improvement Area No. 1, but instead has developed the property to a blue-top condition prior to the sale to Lennar Homes and Meritage, each of which is responsible for constructing or contracting with Tracy Phase I, LLC for the construction of in-tract improvements, as well as the construction and sale of homes to individual homeowners. Shea acquired its property from Tracy Phase I, LLC, in finished lot condition, and Shea is

responsible for the construction and sale of homes to individual homeowners. Several model homes have been completed and construction of production homes is underway. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

Appraised Value of Property in Improvement Area No. 1. An appraisal of the property within Improvement Area No. 1, dated October 9, 2020 (the "**Appraisal**"), was prepared by Integra Realty Resources, Rocklin, California (the "**Appraiser**") in connection with issuance of the 2020 Bonds. The purpose of the Appraisal was to estimate the market value of the fee simple estate, subject to the lien of the Special Taxes and overlapping liens, for all the taxable property within Improvement Area No. 1 as of a September 15, 2020 date of value. Subject to the assumptions contained in the Appraisal, the Appraiser estimated that the taxable property within Improvement Area No. 1, subject to the lien of the Special Taxes and overlapping liens, had an estimated value of $398,408,000. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Appraised Values" for further information on the Appraisal. A complete copy of the Appraisal is attached as APPENDIX C.

Estimated Value-to-Lien Ratios in Improvement Area No. 1. Based on the appraised value of the taxable property within Improvement Area No. 1 of $398,408,000, the outstanding par amount of the 2018 Bonds of $32,525,000, the outstanding par amount of the 2019 Bonds of $14,815,000, and an estimated par amount of 2020 Bonds of $18,300,000*,the overall value-to-lien ratio of the taxable property within Improvement Area No. 1 is approximately 6.08 to 1.* This is an overall estimate, however, and the value-to-lien ratios of individual parcels may vary widely from this ratio. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Appraised Values."

Market Absorption Study. In connection with the issuance of the 2020 Bonds, the City hired Empire Economics, Inc., San Juan Capistrano, California (the "**Market Absorption Consultant**") to prepare a market absorption study for the homes planned for Improvement Area No. 1, dated September 30, 2020 (the "**Absorption Study**"). See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Market Absorption Study," and APPENDIX D.

Risk Factors Associated with Purchasing the 2020 Bonds. Investment in the 2020 Bonds involves risks that may not be appropriate for some investors. See "BOND OWNERS' RISKS" for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the 2020 Bonds.

**Preliminary; subject to change.*

FINANCING PLAN

Authorized Facilities

The net proceeds of the 2020 Bonds will be used to construct and/or acquire various facilities authorized to be financed by the District (collectively, "**Authorized Facilities**"), including Improvement Area No. 1. For a complete list of the Authorized Facilities, see "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Authorized Facilities."

Currently, the City intends to use a portion of the proceeds of the 2020 Bonds to pay a portion of the costs of acquiring and/or constructing roads, parks, sewer, water, reclaimed water, and storm drain improvements, among other Authorized Facilities.

Estimated Sources and Uses of Funds

The estimated proceeds from the sale of the 2020 Bonds will be used as follows:

SOURCES	
Principal Amount of 2020 Bonds	$
Plus/Less: [Net] Original Issue Premium/Discount	
Total Sources	$
USES	
Deposit into Improvement Fund	$
Deposit into Capitalized Interest Account[(1)]	
Deposit into 2020 Reserve Fund[(2)]	
Costs of Issuance[(3)]	
Total Uses	$

(1) Represents a portion of the interest coming due on the 2020 Bonds on March 1, 2020 and September 1, 2020.
(2) Equal to the 2020 Reserve Requirement with respect to the 2020 Bonds as of the Closing Date.
(3) Includes, among other things, the fees and expenses of Bond Counsel and Disclosure Counsel, the Fiscal Agent, the Municipal Advisor, and the Special Tax Consultant; printing the Preliminary and Final Official Statements; and Underwriter's discount.

THE 2020 BONDS

This section generally describes the terms of the 2020 Bonds contained in the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX E. Capitalized terms used but not defined in this section are defined in APPENDIX E.

Authority for Issuance

The 2020 Bonds are issued under the Act, the Resolution of Issuance and the Fiscal Agent Agreement. Under the Resolution of Issuance, the 2020 Bonds may be issued in a maximum principal amount of $21,500,000.

Bonded Indebtedness Limit

As a result of the issuance of the 2018 Bonds, the 2019 Bonds, and the 2020 Bonds, the remaining unissued amount of authorized bonded indebtedness of the CFD has decreased to $_____.* The City may issue future Parity Bonds, up to this bonded indebtedness limit, upon compliance with the conditions set forth in the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS – Issuance of Future Parity Bonds."

General Bond Terms

Dated Date, Maturity and Authorized Denominations. The 2020 Bonds will be dated their date of delivery (the "**Closing Date**") and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The 2020 Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple of $5,000.

Calculation of Interest. Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months. The 2020 Bonds will bear interest at the annual rates set forth on the inside cover page of this Official Statement, payable semiannually on each March 1 and September 1, commencing March 1, 2021 (each, an "**Interest Payment Date**").

Each 2020 Bond will bear interest from the Interest Payment Date next preceding its date of authentication unless:

(i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or

(ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date (as defined below) preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or

(iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it will bear interest from the Closing Date;

provided, however, that if at the time of authentication of a 2020 Bond, interest is in default thereon, such 2020 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

"**Record Date**" means the 15th day of the calendar month next preceding the applicable Interest Payment Date, whether or not such day is a Business Day.

* Preliminary; subject to change.

DTC and Book-Entry Only System. DTC will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully-registered securities registered initially in the name of Cede & Co. (DTC's partnership nominee). See APPENDIX I – "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments of Interest and Principal. *For so long as DTC is used as depository for the 2020 Bonds, principal of, premium, if any, and interest payments on the 2020 Bonds will be made solely to DTC or its nominee, Cede & Co., as registered owner of the 2020 Bonds, for distribution to the beneficial owners of the 2020 Bonds in accordance with the procedures adopted by DTC.*

Interest on the 2020 Bonds (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Fiscal Agent mailed by first-class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of $1,000,000 or more in aggregate principal amount of 2020 Bonds delivered to the Fiscal Agent prior to the applicable Record Date, which will continue in effect until revoked in writing, or until such 2020 Bonds are transferred to a new Owner.

The principal of the 2020 Bonds and any premium on the 2020 Bonds are payable in lawful money of the United States of America upon surrender of the 2020 Bonds at the Principal Office of the Fiscal Agent.

Redemption*

Optional Redemption. The 2020 Bonds maturing on or after September 1, 20__, are subject to optional redemption as directed by the City, from sources of funds other than prepayments of Special Taxes, prior to their stated maturity on any date on or after September 1, 20__, as a whole or in part, at the redemption prices (expressed as a percentage of the principal amount of the 2020 Bonds to be redeemed) set forth below, together with accrued interest thereon to the date fixed for redemption:

Redemption Dates	Redemption Price
September 1, ____ through August 31, ____	103%
September 1, ____ through August 31, ____	102
September 1, ____ through August 31, ____	101
September 1, ____ and any date thereafter	100

Mandatory Sinking Fund Redemption. The 2020 Bonds maturing on September 1, 20__ (the "**Term Bonds**"), will also be subject to mandatory redemption in part by lot, from Sinking Fund Payments made by the City from the Bond Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as set forth in the table below; provided, however, if some but not all of the Term Bonds of a given maturity have been redeemed through optional redemption or mandatory prepayment redemption as described above, the total amount of all future Sinking Fund Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments as directed by the City.

* Preliminary; subject to change.

Sinking Fund Redemption Date (September 1)	Sinking Fund Payments $
(maturity)	

Redemption from Special Tax Prepayments. Special Tax Prepayments and any corresponding transfers from the 2020 Reserve Fund will be used to redeem 2020 Bonds on the next Interest Payment Date for which notice of redemption can timely be given under the Second Supplemental Fiscal Agent Agreement, among maturities so as to maintain substantially the same debt service profile for the 2020 Bonds as in effect prior to such redemption and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the 2020 Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Price
Any Interest Payment Date on or before March 1, ____	103%
September 1, ____ and March 1, ____	102%
September 1, ____ and March 1, ____	101%
September 1, ____ and any Interest Payment Date thereafter	100%

The 2018 Bonds, 2019 Bonds and any future Parity Bonds also are required to be redeemed from Special Tax Prepayments among maturities so as to maintain substantially the same debt service profile as in effect prior to such redemption. As a result, any Special Tax Prepayments will be applied to the redemption of all series of Outstanding Bonds on a pro rata basis.

Purchase in Lieu of Redemption. In lieu of redemption, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding 2020 Bonds upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may 2020 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such 2020 Bonds were to be redeemed in accordance with the Second Supplemental Fiscal Agent Agreement.

In lieu of and following distribution of a notice of an optional redemption under the Second Supplemental Fiscal Agent Agreement, the City will have the right to purchase or to cause the purchase of all or a portion of the 2020 Bonds in lieu of the optional redemption and to leave such 2020 Bonds outstanding.

Notice of Redemption. The Fiscal Agent will cause notice of any redemption to be mailed by first-class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Original Purchaser, to the Securities Depositories, and to the respective registered Owners of any 2020 Bonds designated for redemption, at their addresses appearing on the 2020 Bond registration books in the Principal Office of the Fiscal Agent; but such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such 2020 Bonds. In addition, the Fiscal Agent will file each notice of redemption with the MSRB through its EMMA system.

However, while the 2020 Bonds are subject to DTC's book-entry system, the Fiscal Agent will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the City and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the Beneficial Owners of the 2020 Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of

any 2020 Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Second Supplemental Fiscal Agent Agreement.

Conditional Redemption Notice; Rescission of Redemption. Any redemption notice may specify that redemption on the specified date will be subject to receipt by the City of moneys sufficient to cause such redemption (and will specify the proposed source of such moneys), and neither the City nor the Fiscal Agent will have any liability to the Owners or any other party as a result of its failure to redeem the 2020 Bonds as a result of insufficient moneys.

The City will have the right to rescind any redemption by written notice to the Fiscal Agent on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2020 Bonds then called for redemption, and such cancellation will not constitute a default under the Fiscal Agent Agreement. The Fiscal Agent will mail notice of rescission of redemption in the same manner that notice of redemption was originally provided.

Selection of 2020 Bonds for Redemption. Whenever provision is made in the Second Supplemental Fiscal Agent Agreement for the redemption of less than all of the 2020 Bonds of any maturity or any given portion thereof, the Fiscal Agent will select the 2020 Bonds to be redeemed, from all 2020 Bonds or such given portion thereof not previously called for redemption, as directed by the City or, in the absence of direction by the City, on a pro rata basis among maturities, and, within a maturity, by lot in any manner which the Fiscal Agent in its sole discretion deems appropriate.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the 2020 Bonds so called for redemption have been deposited in the Bond Fund, such 2020 Bonds so called will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice of redemption. All 2020 Bonds redeemed and purchased by the Fiscal Agent under the Second Supplemental Fiscal Agent Agreement will be canceled by the Fiscal Agent.

Registration, Transfer and Exchange

The following provisions regarding the exchange and transfer of the 2020 Bonds apply only during any period in which the 2020 Bonds are not subject to DTC's book-entry system. While the 2020 Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See "APPENDIX I – DTC and the Book-Entry Only System."

Registration. The Fiscal Agent will keep, or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the 2020 Bonds, which will show the series number, date, amount, rate of interest and last known owner of each 2020 Bond and will at all times be open to inspection by the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the 2020 Bonds as provided in the Fiscal Agent Agreement.

The City and the Fiscal Agent will treat the Owner of any 2020 Bond whose name appears on the Bond register as the absolute Owner of such 2020 Bond for any and all purposes, and the City and the Fiscal Agent will not be affected by any notice to the contrary. The City and the Fiscal Agent may rely on the address of the Bondowner as it appears in the Bond register for any and all purposes.

Registration of Exchange or Transfer. Any 2020 Bond may, in accordance with its terms, be transferred, upon the Bond register by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such 2020 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent.

The 2020 Bonds may be exchanged at the Principal Office of the Fiscal Agent solely for a like aggregate principal amount of 2020 Bonds of authorized denominations and of the same maturity.

The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer or exchange will be paid by the City. The Fiscal Agent will collect from the Owner requesting such transfer or exchange any tax or other governmental charge required to be paid with respect to such transfer or exchange. Whenever any 2020 Bond or 2020 Bonds are surrendered for transfer or exchange, the City will execute and the Fiscal Agent will authenticate and deliver a new 2020 Bond or 2020 Bonds, for a like aggregate principal amount.

No transfers or exchanges of 2020 Bonds will be required to be made (i) 15 days prior to the date established by the Fiscal Agent for selection of 2020 Bonds for redemption or (ii) with respect to a 2020 Bond after such 2020 Bond has been selected for redemption; or (iii) between a Record Date and the succeeding Interest Payment Date.

DEBT SERVICE SCHEDULE

The following table presents the annual debt service (including mandatory sinking fund payments) on the 2018 Bonds, the 2019 Bonds and the 2020 Bonds, assuming there are no optional redemptions or special redemptions from Special Tax Prepayments.

Year Ending September 1	2018 Bonds	2019 Bonds	2020 Bonds Principal	2020 Bonds Interest	2020 Bonds Total	2018 Bonds, 2019 Bonds, and 2020 Bonds Grand Total
2021	$1,755,050.00	$775,950.00				
2022	1,789,450.00	794,450.00				
2023	1,822,250.00	807,350.00				
2024	1,858,450.00	824,800.00				
2025	1,897,850.00	841,650.00				
2026	1,935,250.00	861,650.00				
2027	1,977,000.00	875,650.00				
2028	2,015,750.00	893,850.00				
2029	2,056,500.00	911,050.00				
2030	2,094,000.00	932,250.00				
2031	2,138,250.00	949,750.00				
2032	2,178,750.00	965,750.00				
2033	2,225,500.00	985,250.00				
2034	2,268,000.00	1,008,000.00				
2035	2,311,250.00	1,028,750.00				
2036	2,360,000.00	1,047,500.00				
2037	2,408,750.00	1,069,250.00				
2038	2,457,250.00	1,088,750.00				
2039	2,505,250.00	1,111,000.00				
2040	2,552,500.00	1,135,750.00				
2041	2,603,750.00	1,157,750.00				
2042	2,658,500.00	1,182,000.00				
2043	2,711,250.00	1,203,250.00				
2044	2,766,750.00	1,226,500.00				
2045	2,819,500.00	1,251,500.00				
2046	2,874,250.00	1,278,000.00				
2047	2,935,500.00	1,300,750.00				
2048	2,992,500.00	1,329,750.00				
2049	--	1,354,500.00				
2050	--	--				
Total:	$64,969,050.00	$30,192,400.00				

Source: U.S. Bank National Association for 2018 Bonds and 2019; Piper Sandler & Co. for 2020 Bonds.

SECURITY FOR THE BONDS

This section generally describes the security for the Bonds set forth in the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX E. Capitalized terms used but not defined in the section are defined in APPENDIX E.

General

The 2018 Bonds, the 2019 Bonds, the 2020 Bonds and any Parity Bonds (collectively, the "**Bonds**") are secured by a first pledge (which will be effected in the manner and to the extent provided in the Fiscal Agent Agreement) of all of the Special Tax Revenues and all moneys deposited in the Bond Fund (including the Capitalized Interest Account and the Special Tax Prepayments Account), and, until disbursed as provided therein, in the Special Tax Fund.

"**Special Tax Revenues**" are defined in the Fiscal Agent Agreement as the proceeds of the Special Taxes received by the City, including any scheduled payments thereof and any Special Tax Prepayments, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. *However*, Special Tax Revenues do not include any interest in excess of the interest due on the Bonds, or any penalties collected in connection with any such foreclosure.

The Special Tax Revenues and all moneys deposited into such funds (except as otherwise provided in the Fiscal Agent Agreement) are dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided in the Fiscal Agent Agreement and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Fiscal Agent Agreement.

The 2020 Bonds and all Parity Bonds, the principal of and interest on which is payable from amounts in the 2020 Reserve Fund ("**2020 Related Parity Bonds**"), will be secured by a first pledge (which will be effected in the manner and to the extent provided in the Fiscal Agent Agreement) of all moneys deposited in the 2020 Reserve Fund. See "– 2020 Reserve Fund" below.

Neither the 2018 Bonds nor the 2019 Bonds are secured by the 2020 Reserve Fund, but rather are separately secured by separate reserve funds (respectively, the "**2018 Reserve Fund**" and "**2019 Reserve Fund**"). In addition, any further Parity Bonds, the principal of and interest on which is payable from amounts in the 2018 Reserve Fund ("**2018 Related Parity Bonds**") or the 2019 Reserve Fund ("**2019 Related Parity Bonds**"), will be secured by the 2018 Reserve Fund or 2019 Reserve Fund, respectively. The 2020 Bonds are not secured by the 2018 Reserve Fund or 2019 Reserve Fund.

Amounts in the Improvement Fund (and the accounts therein, including the Remainder Taxes Account), the Administrative Expense Fund and the Costs of Issuance Fund are not pledged to the repayment of the Bonds. The Project is not pledged to the repayment of the Bonds, nor are the proceeds of any condemnation or insurance award received by the City with respect to the Project.

Limited Obligation

The Bonds are not general obligations of the City, but are limited obligations, payable solely from the Special Tax Revenues and the funds pledged therefor under the Fiscal Agent Agreement. Neither the faith and credit nor the taxing power of the City (except to the limited extent set forth in the Fiscal Agent Agreement) or of the State or any political subdivision thereof is pledged to the payment of the Bonds.

Special Taxes

Covenant to Levy Special Taxes. The Finance Director will effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 1 that the Bonds are outstanding, or otherwise such that the computation of the levy is complete before the final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within Improvement Area No. 1 for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Finance Director shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

Computation. The Finance Director will fix and levy the amount of Special Taxes within Improvement Area No. 1 required to pay the following amounts, taking into account the balances in the applicable funds established under the Fiscal Agent Agreement:

(i) the principal of and interest on any outstanding Bonds becoming due and payable during the ensuing calendar year,

(ii) any necessary replenishment or expenditure of the 2020 Reserve Fund, the 2019 Reserve Fund, the 2018 Reserve Fund and any other reserve account for Parity Bonds that are not 2018 Related Parity Bonds, 2019 Related Parity Bonds, or 2020 Related Parity Bonds to the extent such replenishment has not been included in the computation of the Special Taxes in a previous Fiscal Year,

(iii) the Administrative Expenses, including amounts necessary to discharge any rebate obligation, during such year,

(iv) an amount to cure delinquencies in the payment of principal or interest on Bonds that occurred in the previous Fiscal Year, and

(v) any Project costs to be paid from Special Taxes to the extent that paying for such costs does not increase the Special Taxes levied on Undeveloped Property (as defined in the Amended Rate and Method).

During the Remainder Taxes Period, the Finance Director will fix and levy the Special Taxes at the Maximum Special Tax rate on Developed Property before considering any Capitalized Interest (as those terms are defined in the Amended Rate and Method).

"**Remainder Taxes Period**" means the period through and including the end of the 20th Fiscal Year during which Special Taxes for facilities have been levied on the property in Improvement Area No. 1. The first year of the Special Tax levy was Fiscal Year 2019-20.

The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings under the Resolution of Formation.

Manner of Collection. Except as set forth in the Ordinance, the Fiscal Agent Agreement provides that the Special Taxes will be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the *ad valorem* taxes on real property.

Because the Special Tax levy is limited to the maximum Special Tax rates set forth in the Amended Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies,

the receipts of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay debt service on the Bonds. Further, under no circumstances will the Special Tax levied against any parcel of residential property for which an occupancy permit for private residential use has been issued be increased by more than 10% as a consequence of delinquency or default by the owner of any other parcel within Improvement Area No. 1. In addition, in no event shall Special Taxes for facilities be levied for more than 80 Fiscal Years. See "BOND OWNERS' RISKS – Property Tax Delinquencies."

Amended Rate and Method

General. The Special Taxes will be levied and collected according to the Amended Rate and Method, which provides the means by which the City Council may annually levy the Special Taxes within Improvement Area No. 1, up to the maximum Special Tax rates, and to determine the amount of the Special Taxes that will need to be collected each fiscal year from the "**Taxable Property**" within Improvement Area No. 1. *As used in this Official Statement, Special Tax refers only to the Facilities Special Tax levied under the Amended Rate and Method; although a Services Special Tax is also authorized to be levied under the Amended Rate and Method, the Services Special Tax is not pledged to repay the 2020 Bonds.*

The following is a summary of the provisions of the Amended Rate and Method, which should be read in conjunction with the complete text of the Amended Rate and Method, including its attachments, which is attached as APPENDIX B. Capitalized terms used but not defined in this section have the meanings as set forth in APPENDIX B. *This section provides only a summary of the Amended Rate and Method, and is qualified by more complete and detailed information contained in the entire Amended Rate and Method attached as APPENDIX B.*

Facilities Special Tax Requirement. Annually, at the time of levying the Special Tax, the person or firm designated by the City to administer the Special Taxes (the "**Administrator**") will determine the minimum amount of money to be levied on Taxable Property related to the facilities component of the Amended Rate and Method (the "**Facilities Special Tax Requirement**"), which will be the amount required in any Fiscal Year for the following purposes:

(i) to pay principal and interest on Bonds when due in the calendar year which begins in such Fiscal Year,

(ii) to create or replenish reserve funds to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year,

(iii) to cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year,

(iv) to pay Administrative Expenses, and

(v) to pay the costs of Authorized Facilities, to the extent that paying directly for such costs does not increase the Facilities Special Taxes levied on Undeveloped Property.

Annual Determination of Property Categories for Administration of Special Tax. Each Fiscal Year, the Administrator will (i) categorize each Parcel of Taxable Property as Developed Property, Undeveloped Business Park Property, Undeveloped Property, Taxable Public Property, or Taxable HOA Property, (ii) for Single Family Residential Property, determine within which Village each Parcel of Developed Property is located and the number of Residential Units on the Parcel, and (iii) determine the Facilities Special Tax Requirement for the Fiscal Year. In addition, the Administrator shall, on an ongoing basis, monitor Final Maps and condominium plans to determine if there are any proposed changes to the Expected Land Uses that would reduce the Expected Maximum Facilities Special Tax Revenues for a

Village. If the Expected Maximum Special Tax Revenues will be revised pursuant to a proposed Land Use Change, the Administrator shall apply the steps set forth in the Amended Rate and Method, as described further below.

In any Fiscal Year, if it is determined that:

(i) a parcel map for a portion of property in Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then-current tax roll),

(ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and

(iii) one or more of the newly-created Parcels is in a different Development Class than other parcels created by the subdivision,

the Administrator will calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to the property within each Development Class, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

Maximum Facilities Special Tax. The table below identifies the Maximum Facilities Special Tax, before and after the Trigger Event, for Taxable Property in Improvement Area No. 1, subject to potential adjustments that may occur pursuant to the Amended Rate and Method.

Once a Special Tax has been levied and collected on a Parcel of Developed Property, the Maximum Special Tax applicable to that Parcel will not be reduced in future Fiscal Years regardless of changes in land use on the Parcel, except (i) in the event of a partial prepayment, and (ii) pursuant to Section D of the Amended Rate and Method, which is described below. Notwithstanding the foregoing: (i) if Bonds have yet to be issued for Improvement Area No. 1, the Parcels can be assigned to the appropriate Special Tax category based on the Land Use Change, and the Administrator shall recalculate the Expected Maximum Facilities Special Tax Revenues based on the corresponding change in revenues, and (ii) the actual Special Taxes levied on a Parcel of Developed Property in any Fiscal Year may be less than the Maximum Special Taxes if lower Special Taxes are calculated pursuant to the Amended Rate and Method.

The Expected Maximum Facilities Special Tax Revenues were calculated based on the Expected Land Uses at CFD Formation. The Administrator will review Final Maps, Tentative Map revisions, and other changes to land uses proposed within Improvement Area No. 1 and compare the revised land uses to the Expected Land Uses to evaluate the impact on the Expected Maximum Facilities Special Tax Revenues. See the Amended Rate and Method attached as APPENDIX B for additional details.

Trigger Event. The term "**Trigger Event**" means, in any Fiscal Year, that, on or before June 30 of the prior Fiscal Year, the Administrator made a finding that (i) all Bonds secured by the levy and collection of Facilities Special Taxes in the District have been fully repaid, (ii) all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, (iii) the Recycled Water Facilities Costs have been fully funded, and (iv) there are no other Authorized Facilities that the City intends to fund with Facilities Special Taxes. In the first Fiscal Year in which the Administrator determines that the Trigger Event occurred in the prior Fiscal Year, and in each Fiscal Year thereafter, the Facilities Special Tax will cease to be levied, and the Maximum Services Special Tax for each Parcel will be adjusted pursuant to the Amended Rate and Method.

City Services CFD. The Amended Rate and Method provides that, if a City Services CFD is formed and Bonds have not yet been sold for Improvement Area No. 1, the Maximum Facilities Special Taxes set forth in the Amended Rate and Method for Single Family Property will be reduced by up to $325 per Residential Unit (or such lower amount that is adopted as the maximum special tax or component thereof that will be used to mitigate fiscal impacts on the City by paying for fire protection, police protection, and/or public works maintenance services). The City Services CFD was formed, and as a result, the Maximum Facilities Special Taxes were reduced by $58. The Maximum Facilities Special Tax rates set forth below and elsewhere in this Official Statement reflect this reduction.

Fiscal Year 2020-21 Maximum Facilities Special Tax Rates(1)

Land Use	Maximum Facilities Special Tax Prior to Trigger Event Fiscal Year 2020-21	
Single Family Residential Property		
Village 1	$2,711.62	per Residential Unit
Village 2	$3,070.44	per Residential Unit
Village 3	$3,068.24	per Residential Unit
Village 4	$2,848.52	per Residential Unit
Village 5	$3,785.90	per Residential Unit
Village 6	$4,162.38	per Residential Unit
Village 7	$2,442.22	per Residential Unit
Village 8	$3,974.70	per Residential Unit
Business Park Property/ Undeveloped Business Park Property	$2,760.20	per Acre
Other Property	$33,122.42	per Acre
Taxable Public Property and Taxable HOA Property	$33,122.42	per Acre
Undeveloped Property	$33,122.42	per Acre

(1) Reflects the Maximum Facilities Special Tax rates as calculated per Section D.2 of the Amended Rate and Method. The Maximum Facilities Special Tax per Unit increases each year by 2% of the amount in effect in the prior fiscal year.
Source: Goodwin Consulting Group, Inc.

Expected Land Uses and Expected Maximum Facilities Special Tax Revenues at Buildout

Village	Expected Land Uses [1]		Estimated Facilities Special Tax per Unit Fiscal Year 2020-21 [2]		Expected Maximum Facilities Special Tax Revenues Fiscal Year 2020-21 [3]
Village 1	158	Residential Units	$2,711.62	per Residential Unit	$428,436
Village 2	74	Residential Units	$3,070.44	per Residential Unit	$227,213
Village 3	103	Residential Units	$3,068.24	per Residential Unit	$316,029
Village 4	149	Residential Units	$2,848.52	per Residential Unit	$424,429
Village 5	196	Residential Units	$3,785.90	per Residential Unit	$742,036
Village 6	70	Residential Units	$4,162.38	per Residential Unit	$291,367
Village 7	314	Residential Units	$2,442.22	per Residential Unit	$766,857
Village 8	139	Residential Units	$3,974.70	per Residential Unit	$552,483
N/A	0.00	Acres of Business Park Property	$2,760.20	per Acre	$0
Total	**1,203 Residential Units and 0 acres of Business Park Property**		**N/A**		**$3,748,850**

(1) Expected Land Uses as of the date of value of the appraisal report.
(2) Reflects the Maximum Special Tax rates as calculated per Section D.2 of the Amended Rate and Method at build-out. The Maximum Facilities Special Tax per Unit increases each year by 2% of the amount in effect in the prior fiscal year.
(3) The Maximum Special Tax at buildout is based on the expected completed homes on all parcels at buildout of all eight Villages. As development occurs, the maximum special tax levy per Village and the actual special tax per Village may vary from what is shown.
Source: Goodwin Consulting Group, Inc.

Transfer of Expected Maximum Facilities Special Tax. The Expected Maximum Facilities Special Tax Revenues were determined for each Village based on the Expected Land Uses within that Village. If the expected number of Residential Units is transferred from one Village to another, the City may, in its sole discretion, allow for a corresponding transfer of Expected Maximum Facilities Special Tax Revenues between the Villages. Such a transfer shall only be allowed if (i) all adjustments are agreed to in writing by the affected property owners and the City, and (ii) there is no reduction in the total Expected Maximum Facilities Special Tax Revenues as a result of the transfer. See APPENDIX B for additional details.

Method of Special Tax Levy. Under the Amended Rate and Method, the Administrator will determine the Facilities Special Tax Requirement and levy the Facilities Special Tax as follows:

Step 1: In the first 20 Fiscal Years in which a Facilities Special Tax is levied within Improvement Area No. 1, the Maximum Facilities Special Tax shall be levied on all Parcels of Developed Property. Any Facilities Special Tax proceeds collected that are determined by the Administrator to be Remainder Taxes shall be deposited into the Improvement Fund to pay any costs associated with the acquisition of Authorized Facilities that were not paid with Bond proceeds or Facilities Special Taxes levied in prior Fiscal Years.

Beginning in the 21st Fiscal Year in which a Facilities Special Tax is levied within Improvement Area No. 1 and continuing until the Trigger Event, the Facilities Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Facilities Special Tax for each Parcel of Developed Property until the amount levied is equal to the Facilities Special Tax Requirement, the calculation of which will include funding for Recycled Water Facilities Costs and/or other Authorized Facilities designated for funding, as determined in the sole discretion of the City.

After the Trigger Event, the Facilities Special Tax shall no longer be levied.

Step 2: If additional revenue is needed after Step 1 and after applying Capitalized Interest to the Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on (i) each Parcel of Undeveloped Property up to 100% of the Maximum Facilities Special Tax for each Parcel of Undeveloped Property, and (ii) each Parcel of Undeveloped Business Park Property up to 100% of the Maximum Facilities Special Tax for each Parcel of Undeveloped Business Park Property.

Step 3: If additional revenue is needed after Step 2, the Facilities Special Tax shall be levied Proportionately on each Parcel of Taxable HOA Property, up to 100% of the Maximum Facilities Special Tax for each Parcel of Taxable HOA Property.

Step 4: If additional revenue is needed after Step 3, the Facilities Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Facilities Special Tax for each Parcel of Taxable Public Property.

Exemptions. Any Parcel that becomes Public Property prior to the first series of Bonds being issued for Improvement Area No. 1 will be exempt from both the Services Special Tax and the Facilities Special Tax; the Administrator will reduce the Expected Maximum Facilities Special Tax Revenues to reflect any such exemption, and the first series of Bonds will be sized based on the reduced Expected Maximum Facilities Special Tax Revenues.

Any Parcel that becomes Public Property after the first series of Bonds are issued for Improvement Area No. 1 will be exempt from both the Services Special Tax and the Facilities Special Tax provided such Parcel is not Taxable Public Property.

In addition, no Special Taxes will be levied on:

(i) up to 61.45 Acres of HOA Property, with tax-exempt status assigned in chronological order based on the date on which Parcels were transferred to the Homeowners Association,

(ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed,

(iii) Parcels owned by a public utility for an unmanned facility, and

(iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement.

Notwithstanding the foregoing, if a Facilities Special Tax has been levied on a Parcel in any Fiscal Year, and the entire Parcel subsequently meets the criteria in (ii), (iii) or (iv) above, the Parcel will remain subject to the Facilities Special Tax levy, unless the first series of Bonds have yet to be issued for Improvement Area No. 1, in which case such property will be categorized as Public Property, and the Administrator will recalculate the Expected Maximum Facilities Special Tax Revenues based on the corresponding loss in revenues.

Partial Prepayment of Special Tax. A property owner may prepay up to 80% of the Special Tax obligation applicable to a Parcel in Improvement Area No. 1, subject to certain conditions. The Prepayment Amount is calculated based on the Bond Redemption Amount plus Redemption Premium and other costs, all as specified in "APPENDIX B – Amended and Restated Rate and Method of Apportionment of Special Tax – Section H."

Covenant to Foreclose

Sale of Property for Nonpayment of Taxes. The Fiscal Agent Agreement provides that the Special Taxes are to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Foreclosure Under the Act. Under Section 53356.1 of the Act, if any delinquency occurs in the payment of the Special Tax, the City may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale.

While judicial foreclosure is not mandatory under the Act, the City has covenanted in the Fiscal Agent Agreement that on or about June 30 of each Fiscal Year, the Finance Director will compare the amount of Special Taxes previously levied in Improvement Area No. 1 of the District to the amount of Special Tax Revenues received by the City, and if delinquencies have occurred, proceed as follows:

Individual Delinquencies. If the Finance Director determines that any single parcel subject to the Special Tax in Improvement Area No. 1 is delinquent in the payment of Special Taxes in the aggregate amount of $5,000 or more, then the Finance Director will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings will be commenced by the City within 90 days of such determination.

Notwithstanding the foregoing, the Finance Director may defer any such actions with respect to a delinquent parcel if (1) Improvement Area No. 1 is then participating in the Alternative Method of Distribution of Tax Levies and Collections described in Revenue & Taxation Code Section 4701 et seq. (referred to herein as the "Teeter Plan"), or an equivalent procedure, (2) the amount in the 2020 Reserve Fund is at least equal to the 2020 Reserve Requirement and (3) the amount in the 2018 Reserve Fund, 2019 Reserve Fund, and 2020 Reserve Fund is at least equal to the respective reserve requirement for the 2018 Bonds, 2019 Bonds, and 2020 Bonds, and (4) the amount in the reserve account for any Parity Bonds that are not 2018 Related Parity Bonds, 2019 Related Parity Bonds, or 2020 Related Parity Bonds is at least equal to the required amount.

Aggregate Delinquencies. If the Finance Director determines that (i) the total amount of delinquent Special Tax for the prior Fiscal Year for the entire Improvement Area No. 1 (including the total of delinquencies above), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, determined by reference to the latest available secured property tax roll of the County, the Finance Director shall notify or cause to be notified property owners who are then delinquent in the payment of Special Taxes (and demand immediate payment of the delinquency) within 45 days of such determination, and shall commence foreclosure proceedings within 90 days of such determination against each parcel of land in Improvement Area No. 1 with a Special Tax delinquency.

Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays. No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the City to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.5 of the Act, the City, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the City could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Taxes. If the City becomes the purchaser under a credit bid, the City must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of the defense, if any, put forth by the debtor and the Superior Court calendar. In addition, the ability of the City to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation (the "**FDIC**"). See "BOND OWNERS' RISKS – Bankruptcy Delays."

Special Tax Delinquencies; Teeter Plan. In 1949, the California Legislature enacted an alternative method for the distribution of property taxes to local agencies. This method, known as the "**Teeter Plan**," is found in Sections 4701-4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county collects property taxes and certain other public agencies and taxing areas located in the county receive annually the full amount of their shares of property taxes and other levies collected on the secured roll, including delinquent property taxes which have yet to be collected. While the county bears the risk of loss on unpaid delinquent taxes, it retains the penalties associated with delinquent taxes when they are paid. In turn, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless, prior to the commencement of a fiscal year, a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, decide to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

The Board of Supervisors of San Joaquin County adopted the Teeter Plan in Fiscal Year 1994-95. The County has elected to apply its Teeter Plan to the collection of the Special Taxes in Improvement Area No. 1. To the extent that the County's Teeter Plan continues in existence and is carried out as adopted, and to the extent the County does not discontinue the Teeter Plan with respect to the District, the County's Teeter Plan may help protect owners of the 2020 Bonds from the risk of delinquencies in the payment of Special Tax.

There can be no assurance that the County will not modify or eliminate its Teeter Plan, or choose to remove the District from its Teeter Plan, while the 2020 Bonds are outstanding.

Special Tax Fund

Deposits. Under the Fiscal Agent Agreement, the Special Tax Fund is established as a separate fund to be held by the Fiscal Agent, to the credit of which the Fiscal Agent will deposit amounts received from or on behalf of the City consisting of Special Tax Revenues and amounts transferred from the

Administrative Expense Fund and the Bond Fund. The City will promptly remit any Special Tax Revenues received by it to the Fiscal Agent for deposit by the Fiscal Agent to the Special Tax Fund.

Notwithstanding the foregoing,

(i) Special Tax Revenues in an amount not to exceed the amount included in the Special Tax levy for such Fiscal Year for Administrative Expenses will be separately identified by the Finance Director and shall be deposited by the Fiscal Agent in the Administrative Expense Fund;

(ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be separately identified by the Finance Director and will be disposed of by the Fiscal Agent first, for transfer to the Bond Fund to pay any past due debt service on the Bonds; second, without preference or priority, for transfer to the 2018 Reserve Fund, the 2019 Reserve Fund, and the 2020 Reserve Fund to the extent needed to increase the amount then on deposit in the 2018 Reserve Fund, the 2019 Reserve Fund, and the 2020 Reserve Fund up to the then 2018 Reserve Requirement, 2019 Reserve Requirement, and 2020 Reserve Requirement, and for transfer to the reserve account for any Parity Bonds that are not 2018 Related Parity Bonds, 2019 Related Parity Bonds, or 2020 Related Parity Bonds to the extent needed to increase the amount then on deposit therein to the required level; and third, to be held in the Special Tax Fund for use as described in "–Disbursements" below; and

(iii) any proceeds of Special Tax Prepayments will be separately identified by the Finance Director and will be deposited by the Fiscal Agent as follows (as directed in writing by the Finance Director): (a) that portion of any Special Tax Prepayment constituting a prepayment of construction costs (which otherwise could have been included in the proceeds of Parity Bonds) will be deposited by the Fiscal Agent to the Bond Proceeds Account of the Improvement Fund and (b) the remaining Special Tax Prepayment will be deposited by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to the Fiscal Agent Agreement.

Disbursements. At least 7 Business Days prior to each Interest Payment Date, the Fiscal Agent will withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority:

(i) to the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Improvement Fund, the 2018 Reserve Fund, the 2019 Reserve Fund, the 2020 Reserve Fund and any reserve account for Parity Bonds that are not 2018 Related Parity Bonds, 2019 Related Parity Bonds, or 2020 Related Parity Bonds, the Capitalized Interest Account and the Special Tax Prepayments Account to the Bond Fund such that the amount in the Bond Fund equals the principal (including any sinking payment), premium, if any, and interest due on the Bonds on such Interest Payment Date and any past due principal or interest on the Bonds not theretofore paid from a transfer described in the Fiscal Agent Agreement,

(ii) without preference or priority (a) to the 2018 Reserve Fund, the 2019 Reserve Fund, and the 2020 Reserve Fund an amount, taking into account amounts then on deposit in the 2018 Reserve Fund, the 2019 Reserve Fund, and the 2020 Reserve Fund, such that the amount in the 2018 Reserve Fund, the 2019 Reserve Fund, and the 2020 Reserve Fund is equal to the 2018 Reserve Requirement, the 2019 Reserve Requirement, and the 2020 Reserve

Requirement, respectively, and (b) to the reserve account for any Parity Bonds that are not 2018 Related Parity Bonds, 2019 Related Parity Bonds, or 2020 Related Parity Bonds, taking into account amounts then on deposit in such reserve account, such that the amount in such reserve account is equal to the amount required to be on deposit therein (and in the event that amounts in the Special Tax Fund are not sufficient for the purposes of this paragraph, such amounts will be applied to the 2018 Reserve Fund, the 2019 Reserve Fund, the 2020 Reserve Fund and any other reserve accounts ratably based on the then-Outstanding principal amount of each applicable series the Bonds), and

(iii) (A) on each October 1, continuing through the Remainder Taxes Period, all of the moneys remaining in the Special Tax Fund will be transferred to the Remainder Taxes Account and (B) on each subsequent October 1 after the end of the Remainder Taxes Period, all or a portion of the moneys remaining in the Special Tax Fund will be transferred to the Remainder Taxes Account as directed by the Finance Director.

Within 15 days after the end of each Bond Year, and after the foregoing transfers have been made, the Fiscal Agent will transfer all amounts remaining on deposit in the Special Tax Fund to the Administrative Expense Fund, to be used as set forth in the Fiscal Agent Agreement.

Bond Fund

Deposits. The Fiscal Agent will hold the moneys in the Bond Fund for the benefit of the City and the Owners of the Bonds, and will disburse those funds for the payment of the principal of, and interest and any premium on, the Bonds as described below.

There is established, within the Bond Fund maintained and administered by the Fiscal Agent, a separate account to be held by the Fiscal Agent to be designated the "Series 2020 Capitalized Interest Account" (the "**2020 Capitalized Interest Account**"), to the credit of which a deposit shall be made as set forth under the caption "FINANCING PLAN – Estimated Sources and Uses of Funds."

Moneys in the 2020 Capitalized Interest Account will be held in trust by the Fiscal Agent and will be used and withdrawn by the Fiscal Agent solely for the payment of interest on the 2020 Bonds. When the amount in the 2020 Capitalized Interest Account is fully expended for the payment of interest on the 2020 Bonds, the account will be closed.

There is also created in the Bond Fund a separate account to be held by the Fiscal Agent, designated the "**Special Tax Prepayments Account**," to the credit of which deposits will be made as provided in the Fiscal Agent Agreement.

Disbursements. At least 10 Business Days before each Interest Payment Date, the Fiscal Agent will notify the Finance Director in writing as to the principal and premium, if any, and interest due on the Bonds on the next Interest Payment Date (whether as a result of scheduled principal of and interest on the Bonds, optional redemption of the Bonds or a mandatory sinking fund redemption). On each Interest Payment Date, the Fiscal Agent will withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, due and payable on such Interest Payment Date on the Bonds.

At least 5 Business Days prior to each Interest Payment Date, the Fiscal Agent will determine if the amounts then on deposit in the Bond Fund are sufficient to pay the Debt Service due on the Bonds on the next Interest Payment Date. In the event that amounts in the Bond Fund are insufficient for such

purpose, the Fiscal Agent promptly will notify the Finance Director by telephone (and confirm in writing) of the amount of the insufficiency.

If amounts in the Bond Fund are insufficient for the purpose set forth in the preceding paragraph with respect to any Interest Payment Date, the Fiscal Agent will do the following:

(i) Withdraw from the 2018 Reserve Fund, in accordance with the provisions of the Fiscal Agent Agreement, to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency related to the 2018 Bonds and any 2018 Related Parity Bonds. Amounts so withdrawn from the 2018 Reserve Fund will be deposited in the Bond Fund and used to pay debt service on the 2018 Bonds and any 2018 Related Parity Bonds.

(ii) Withdraw from the 2019 Reserve Fund, to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency related to the 2019 Bonds and any 2019 Related Parity Bonds. Amounts so withdrawn from the 2019 Reserve Fund will be deposited in the Bond Fund and used to pay debt service on the 2019 Bonds and any 2019 Related Parity Bonds.

(iii) Withdraw from the 2020 Reserve Fund, to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency related to the 2020 Bonds and any 2020 Related Parity Bonds. Amounts so withdrawn from the 2020 Reserve Fund will be deposited in the Bond Fund and used to pay debt service on the 2020 Bonds and any 2020 Related Parity Bonds.

(iv) Withdraw from the reserve funds, if any, established under a Supplemental Agreement related to Parity Bonds that are not 2018 Related Parity Bonds, 2019 Related Parity Bonds, or 2020 Related Parity Bonds, to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency related to such Parity Bonds. Amounts so withdrawn from any such reserve fund will be deposited in the Bond Fund and used to pay debt service on the Parity Bonds that are not 2018 Related Parity Bonds, 2019 Related Parity Bonds, or 2020 Related Parity Bonds.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the second sentence of the first paragraph under "–Bond Fund – Disbursements" above, the Fiscal Agent will apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, if any, and then to payment of principal due on the bonds by reason of sinking payments.

Disbursements from the Special Tax Prepayments Account. Moneys in the Special Tax Prepayments Account will be transferred by the Fiscal Agent to the Bond Fund on the next date for which notice of redemption of Bonds can timely be given under the Fiscal Agent Agreement, and notice to the Fiscal Agent can timely be given under the Fiscal Agent Agreement, and will be used (together with any amounts transferred pursuant to the Fiscal Agent Agreement) to redeem Bonds on the redemption date selected in accordance the Fiscal Agent Agreement.

2020 Reserve Fund

General. In order to further secure the payment of principal of and interest on the 2020 Bonds and any series of Parity Bonds the principal of and interest on which is payable from amounts in the 2020 Reserve Fund ("**2020 Related Parity Bonds**"), certain proceeds of the 2020 Bonds will be deposited into a reserve fund established for the 2020 Bonds and 2020 Related Parity Bonds (the "**2020 Reserve**

Fund") in an amount equal to the 2020 Reserve Requirement for the 2020 Bonds (as defined below). See "FINANCING PLAN - Estimated Sources and Uses of Funds."

Moneys in the 2020 Reserve Fund will be held by the Fiscal Agent for the benefit of the Owners of the 2020 Bonds and any 2020 Related Parity Bonds as a reserve for the payment of the principal of, and interest and any premium on, the 2020 Bonds and any 2020 Related Parity Bonds, and will be subject to a lien in favor of the Owners of the 2020 Bonds and any 2020 Related Parity Bonds.

Owners of the 2020 Bonds will have no interest in or claim to the 2018 Reserve Fund or the 2019 Reserve Fund, and the Owners of the Bonds covered by the 2018 Reserve Fund and the 2019 Reserve Fund will have no interest in or claim to the 2020 Reserve Fund.

2020 Reserve Requirement. The "**2020 Reserve Requirement**" is defined in the Second Supplemental Fiscal Agent Agreement to mean the amount as of any date of calculation equal to the least of (a) Maximum Annual Debt Service on the 2020 Bonds and 2020Related Parity Bonds, if any, (b) 125% of average Annual Debt Service on the 2020 Bonds and 2020 Related Parity Bonds, if any and (c) 10% of the outstanding principal of the 2020 Bonds and 2020 Related Parity Bonds, if any; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the 2020 Bonds or any 2020 Related Parity Bonds excluding accrued interest will be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the 2020 Bonds or any 2020 Related Parity Bonds was less than 98% or more than 102% of the original principal amount of the 2020 Bonds or any 2020 Related Parity Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event will the amount calculated hereunder exceed the amount on deposit in the 2020 Reserve Fund on the date of issuance of the 2020 Bonds (if they are the only Bonds covered by the 2020 Reserve Fund) or the most recently issued series of 2020 Related Parity Bonds (if any 2020 Related Parity Bonds are covered by the 2020 Reserve Fund) except in connection with any increase associated with the issuance of 2020 Related Parity Bonds; and

(C) that in no event will the amount required to be deposited into the 2020 Reserve Fund in connection with the issuance of a series of 2020 Related Parity Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested at an unrestricted yield.

Disbursements. Except as otherwise provided in the Second Supplemental Fiscal Agent Agreement, all amounts deposited in the 2020 Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the 2020 Bonds and any 2020 Related Parity Bonds or, in accordance with the Second Supplemental Fiscal Agent Agreement, for the purpose of redeeming 2020 Bonds and any 2020 Related Parity Bonds from the Bond Fund. Whenever a transfer is made from the 2020 Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund for payment of the principal of, and interest and any premium on, the 2020 Bonds and any 2020 Related Parity Bonds, the Fiscal Agent will provide written notice thereof to the Finance Director, specifying the amount withdrawn.

***Transfer Upon Special Tax Prepayment*.** Whenever Special Taxes are prepaid and 2020 Bonds or any 2020 Related Parity Bonds are to be redeemed with the proceeds of such prepayment pursuant to the Second Supplemental Fiscal Agent Agreement or a Supplemental Agreement related to any 2020 Related Parity Bonds, a proportionate amount in the 2020 Reserve Fund (determined on the basis of the principal of 2020 Bonds and 2020 Related Parity Bonds to be redeemed and the then-

Outstanding principal of the 2020 Bonds and 2020 Related Parity Bonds, but in any event not in excess of the amount that will leave the balance in the 2020 Reserve Fund following the proposed redemption equal to the 2020 Reserve Requirement) will be transferred on the Business Day prior to the redemption date by the Fiscal Agent to the Bond Fund to be applied to the redemption of the 2020 Bonds pursuant to the Second Supplemental Fiscal Agent Agreement or a Supplemental Agreement related to any 2020 Related Parity Bonds. The Finance Director will deliver to the Fiscal Agent an Officer's Certificate specifying any amount to be so transferred, and the Fiscal Agent may rely on any such Officer's Certificate.

Qualified Reserve Fund Credit Instruments. The City will have the right at any time to direct the Fiscal Agent to release funds from the 2020 Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the 2020 Bonds or any 2020 Related Parity Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation.

The Second Supplement to Fiscal Agent Agreement defines "**Qualified Reserve Account Credit Instrument**" as an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent, provided that all of the following requirements are met at the time of acceptance thereof by the Fiscal Agent: (a) in the case of a commercial bank, the long-term credit rating of such bank at the time of delivery of the irrevocable standby or direct-pay letter of credit is at least "A" from S&P or "A" from Moody's and, in the case of an insurance company, the claims paying ability of such insurance company at the time of delivery of the insurance policy or surety bond is at least "A" from S&P, or "A" from Moody's or, if not rated by S&P or Moody's but is rated by A.M. Best & Company, is rated at the time of delivery in the highest rating category by A.M. Best & Company; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the 2020 Reserve Requirement with respect to which funds are proposed to be released; and (d) the Fiscal Agent is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments with respect to the Series 2020 Bonds and any 2020 Related Parity Bonds.

Upon tender of such items to the Fiscal Agent, and upon delivery by the City to the Fiscal Agent of a written calculation of the amount permitted to be released from the 2020 Reserve Fund (upon which the Fiscal Agent may conclusively rely), the Fiscal Agent will transfer such funds from the 2020 Reserve Fund to the Improvement Fund to be used for the purposes thereof.

The Fiscal Agent will comply with all documentation relating to a Qualified Reserve Account Credit Instrument as will be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this provision of the Second Supplemental Fiscal Agent Agreement.

Upon the scheduled expiration of any Qualified Reserve Account Credit Instrument, the City will either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Fiscal Agent an amount of funds equal to the 2020 Reserve Requirement, to be derived from the first available Special Tax Revenues.

If the 2020 Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash will be first used to meet any deficiency which may exist

from time to time in the Bond Fund with respect to the 2020 Bonds and any 2020 Related Parity Bonds. If the 2020 Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Bond Fund with respect to the 2020 Bonds and any 2020 Related Parity Bonds will be pro-rata with respect to each such instrument.

If a Qualified Reserve Account Credit Instrument is available to be drawn upon for only one or more particular series of Bonds, a separate subaccount in the 2020 Reserve Fund may be established for such series, and the calculation of the Reserve Requirement with respect to any 2020 Related Parity Bonds will exclude the debt service on such issue of 2020 Related Parity Bonds.

The City will have no obligation to replace a Qualified Reserve Account Credit Instrument or to fund the 2020 Reserve Fund with cash if, at any time that the 2020 Bonds are Outstanding, the Qualified Reserve Account Credit Instrument (or its provider) is downgraded or the provider becomes insolvent, if there is an unscheduled termination of the Qualified Reserve Account Credit Instrument or if for any reason insufficient amounts are available to be drawn upon under the Qualified Reserve Account Credit Instrument; provided, however, that the City will reimburse the provider, in accordance with the terms of the Qualified Reserve Account Credit Instrument, for any draws made thereon.

Other Terms Relating to 2020 Reserve Fund. See APPENDIX E for a complete description of the timing, purpose and manner of disbursements from the 2020 Reserve Fund.

Investment of Moneys in Funds

Moneys in any fund or account created or established by the Fiscal Agent Agreement and held by the Fiscal Agent will be invested by the Fiscal Agent in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out under the Fiscal Agent Agreement. See APPENDIX E for a definition of "Permitted Investments."

Issuance of Future Parity Bonds

Parity Bonds. In addition to the 2018 Bonds, the 2019 Bonds, and the 2020 Bonds, the City may issue one or more additional series of Bonds as Parity Bonds, in such principal amount as may be determined by the City, under a Supplemental Agreement entered into by the City and the Fiscal Agent. Any such Parity Bonds will constitute Bonds under the Fiscal Agent Agreement and will be secured by a lien on the Special Tax Revenues and funds pledged for the payment of the Bonds under the Fiscal Agent Agreement on a parity with the 2018 Bonds, the 2019 Bonds, the 2020 Bonds and all other Bonds Outstanding thereunder.

The City may issue such Parity Bonds subject to the specific conditions precedent set forth in the Fiscal Agent Agreement, including without limitation the following:

Compliance. Following issuance of the Parity Bonds, the City shall be in compliance with all covenants set forth in the Fiscal Agent Agreement and all Supplemental Agreements, and issuance of the Parity Bonds shall not cause the City to exceed the bonded indebtedness limit of Improvement Area No. 1.

Same Payment Dates. The Supplemental Agreement providing for the issuance of such Parity Bonds shall provide that interest thereon shall be payable on the Interest Payment Dates, and principal thereof shall be payable on September 1 (provided that there shall be no requirement that any Parity Bonds pay interest on a current basis).

Debt Service Reserve Fund. The Supplemental Agreement providing for issuance of the Parity Bonds shall provide for (i) a deposit to the 2020 Reserve Fund in an amount necessary such that the amount deposited therein shall equal the 2020 Reserve Requirement following issuance of the Parity Bonds or (ii) a deposit to a reserve account for the Parity Bonds (and such other series of Parity Bonds identified by the City) so that the amount therein shall equal the Parity Reserve Requirement following the issuance of the Parity Bonds, as long as such Supplemental Agreement expressly declares that the Owners of such Parity Bonds will have no interest in or claim to the 2020 Reserve Fund and that the Owners of the 2020 Bonds covered by the 2020 Reserve Fund will have no interest in or claim to such other reserve account.

Value. For each Village, the Village Value must be at least three times the sum of: (i) the Attributable Principal Amount of the Bonds then Outstanding, plus (ii) the Attributable Principal Amount of the series of Parity Bonds proposed to be issued, plus (iii) the aggregate principal amount of any fixed assessment liens on the parcels in the Village subject to the levy of Special Taxes, plus (iv) the Attributable Principal Amount of any and all other community facilities district bonds then outstanding that are payable at least in part from special taxes levied on parcels in the Village (the "**Other District Bonds**"). As used in this section, "**Village Value**" generally means the market value, as of the date of an appraisal and/or the date of the most recent County real property tax roll, of all parcels of real property in a Village that are subject to the levy of the Special Taxes and, with respect to Undeveloped Property (as defined in the Amended Rate and Method) only, not delinquent in the payment of any Special Taxes then due and owing; and "**Attributable Principal Amount**" generally means for the Bonds or any Other District Bonds, calculated separately, an amount equal to the aggregate outstanding principal amount of such Bonds or Other District Bonds multiplied by a fraction, the numerator of which is the amount of special taxes that will be levied for such Bonds or Other District Bonds on parcels of land within the Village, and the denominator of which is the total amount of special taxes that will be levied for the Bonds or Other District Bonds on all parcels of land against which the special taxes are levied to pay the Bonds or Other District Bonds. For the complete definitions, see APPENDIX E – Summary of Certain Provisions of the Fiscal Agent Agreement.

Coverage. For each Fiscal Year after issuance of the Parity Bonds, the maximum amount of the Special Taxes that may be levied for such Fiscal Year under the Ordinance, the Agreement and any Supplemental Agreement less estimated Administrative Expenses for each respective Fiscal Year, shall be at least 110% of the total Annual Debt Service of the then Outstanding Bonds and the proposed Parity Bonds for each Bond Year that commences in each such Fiscal Year, and the aggregate Special Tax Prepayments that could occur after the issuance of the Parity Bonds shall be not less than the principal amount of the Outstanding Bonds and the proposed Parity Bonds. For the purpose of calculating the Special Taxes that may be levied for each Fiscal Year after issuance of the Parity Bonds, the City shall not include for any Fiscal Year the Special Taxes that may be levied on any parcel of Undeveloped Property (as defined in the Amended Rate and Method) that is delinquent in the payment of Special Taxes on the date of the Officer's Certificate required by the Fiscal Agent Agreement.

Notwithstanding the foregoing, the City may issue Refunding Bonds as Parity Bonds without the need to satisfy the requirements described under "Value" and "Coverage" above. "**Refunding Bonds**" are defined as bonds issued by the City for the District with respect to Improvement Area No. 1, the net proceeds of which are used to refund all or a portion of the then-Outstanding Bonds; provided that the principal and interest on the Refunding Bonds to their final maturity date is less than the principal and interest on the Bonds being refunded to their final maturity date, and the final maturity of the Refunding Bonds is not later than the final maturity of the Bonds being refunded.

In addition, the City may issue Parity Bonds that are not Refunding Bonds without satisfying the requirements of subsections "Debt Service Reserve Fund" and "Value" above, but only if:

(i) the City deposits a portion of the proceeds of such Parity Bonds into an escrow fund,

(ii) the City's non-compliance with the requirements of subsections "Debt Service Reserve Fund" and "Value" above is attributable to the proceeds of such Parity Bonds deposited into the escrow fund,

(iii) at the time of issuance of the Parity Bonds, the City will deliver to the Fiscal Agent an Officer's Certificate certifying that the conditions precedent to the issuance of such Parity Bonds set forth in the Fiscal Agent Agreement have been satisfied except to the extent permitted by this paragraph, and

(iv) the proceeds of such Parity Bonds in the escrow fund (A) will be released from the escrow fund and transferred to the Bond Fund to pay all of the interest on such Parity Bonds prior to the release described in the Fiscal Agent Agreement and for a period not exceeding two years from the date of issuance of such Parity Bonds, and (B) except as described in the Fiscal Agent Agreement, may only be released by the Fiscal Agent from the escrow fund for deposit into (1) the Bond Proceeds Account of the Improvement Fund, (2) the 2020 Reserve Fund, the 2019 Reserve Fund or the 2018 Reserve Fund or Parity Reserve Fund, as applicable, or (3) the Bond Fund for redemption of such Parity Bonds,

(v) except as described in clause (iv)(A) above and clause (vi) below, the proceeds may be released from the escrow fund in whole or in part by the Fiscal Agent only if the City delivers to the Trustee an Officer's Certificate certifying that, after release of the proceeds from the escrow fund, the City will satisfy the requirements of the Fiscal Agent Agreement with respect to all of such Parity Bonds (excluding (A) any Parity Bonds that are no longer Outstanding as a result of the transfer of proceeds from the escrow fund to the Bond Fund for redemption of such Parity Bonds and (B) any such Parity Bonds that would not comply with the requirements of the Fiscal Agent Agreement except as a result of the proceeds of such Parity Bonds remaining in the escrow fund), and

(vi) the provisions of the Supplemental Agreement related to the escrow fund will provide that any funds in the escrow fund will be transferred from the escrow fund to the Bond Fund (A) if the conditions for release in clause (v) above have not been satisfied, in order to cause a redemption of such Parity Bonds no later than the Interest Payment Date that immediately follows the second anniversary of the date of issuance of such Parity Bonds and (B) if applicable, to redeem such Parity Bonds to the extent necessary to ensure that the interest on the Parity Bonds will be excluded from gross income for federal tax law purposes.

Subordinate Bonds. Nothing in the Fiscal Agent Agreement prohibits the City from issuing any other bonds or otherwise incurring debt secured by a pledge of the Special Tax Revenues subordinate to the pledge thereof under the Fiscal Agent Agreement.

See APPENDIX E for additional details regarding the conditions for issuing Parity Bonds.

THE DISTRICT AND IMPROVEMENT AREA NO. 1

Formation and Background

Formation Proceedings. The District, Improvement Area No. 1 and the Future Annexation Area were established by the City Council under the Act on July 19, 2016, following a noticed public hearing. On the same date, an election was held in which the qualified electors within Improvement Area No. 1 approved a ballot proposition authorizing the City to incur bonded indebtedness for Improvement Area No. 1 of up to $70,000,000 to finance the acquisition and construction of the Authorized Facilities, to levy the Special Taxes within Improvement Area No. 1, and to establish an appropriations limit for Improvement Area No. 1. The District (and Improvement Area No. 1) is authorized to finance the construction of Authorized Facilities. See "FINANCING PLAN – Authorized Facilities" above and "– Authorized Facilities" below.

Improvement Areas; Annexation Proceedings. All of the land currently in the District is located within Improvement Area No. 1. The property in the Future Annexation Area may be annexed into the District in the future as an additional portion of Improvement Area No. 1, in which case it will become subject to the levy of the Special Taxes, or as one or more additional improvement areas, in which case such future improvements area(s) will be separately authorized to issue special tax bonds secured only by special taxes levied within the applicable improvement area. The City does not currently have any plans to annex any parcels within the Future Annexation Area into Improvement Area No. 1.

The 2020 Bonds are secured only by the Special Taxes levied within Improvement Area No. 1. If and to the extent the Future Annexation Area is annexed as one or more additional improvement areas, there will be no cross-collateralization between or among improvement areas. For additional information on what is planned for development with respect to the land in the Future Annexation Area, see "PROPERTY OWNERSHIP AND THE DEVELOPMENT – The Tracy Hills Project."

Future Allocation of Bonded Indebtedness Limit. The bonded indebtedness limit for Improvement Area No. 1 was initially established as an amount not to exceed $70,000,000. The bonded indebtedness limit for the portion of the District that is not included in Improvement Area No. 1 was initially established as an amount not to exceed $215,000,000. If all or a portion of the Future Annexation Area is annexed as one or more future improvement areas of the District, the maximum indebtedness of each such future improvement area will be identified in the unanimous approval executed by property owners at the time of the annexation as set forth in the Resolution of Formation, and the amount of the maximum indebtedness for that future improvement area will be subtracted from the indebtedness limit for the remaining area within the Future Annexation Area.

Change Proceedings. San Joaquin County Assessor's Parcel Number 253-360-15 (the "**Transferred Parcel**"), which is expected to be developed as a business park and a school site, was originally included within the boundary of Improvement Area No. 1. However, at the request of the property owner, the City completed Change Proceedings on August 21, 2018, to remove the Transferred Parcel from Improvement Area No. 1 and incorporate the Transferred Parcel into the Future Annexation Area.

The Change Proceedings accomplished the following: (i) increased the bonded indebtedness limit for Improvement Area No. 1 to $80,000,000, (ii) increased the bonded indebtedness limit for the Future Annexation Area to $305,000,000, (iii) increased the appropriations limit for Improvement Area No. 1 to $80,000,000, (iv) amended the boundaries of the CFD, Improvement Area No. 1 and Future Annexation Area by removing the Transferred Parcel from Improvement Area No. 1 and incorporating it into the Future Annexation Area, and (v) amended the Rate and Method of Apportionment of Special Tax to reflect the fact that none of the parcels in Improvement Area No. 1 are expected to be Business Park Property (as defined in the Amended Rate and Method).

Description and Location

General. Improvement Area No. 1 is located in the southern portion of the City, south of the California Aqueduct and north of Interstate 580, near the existing highway interchange at Corral Hollow Road.

See APPENDIX A for demographic and other information regarding the City and the County.

The Tracy Hills Project is part of the larger Tracy Hills Specific Plan, which encompasses approximately 2,732 gross acres, with 1,811 developable acres, and a various land uses, including residential estates, low density residential, medium density residential, high density residential, mixed-use business park, general highway commercial, light industrial and conservation corridors. See "PROPERTY OWNERSHIP AND DEVELOPMENT – The Tracy Hills Project" for further information regarding the Tracy Hill Specific Plan.

Boundary Map. The map showing the boundaries of Improvement Area No. 1, as amended to include the changes to the boundaries accomplished under the Change Proceedings (see "–Formation and Background –Change Proceedings" above), is set forth on the following page.

[Insert Amended CFD Boundary Map]

Authorized Facilities

General. Under the Resolution of Formation adopted by the City Council, as the legislative body of the District, on July 19, 2016, the District (and each Improvement Area therein including Improvement Area No. 1) is authorized to finance all or a portion of the costs of acquisition, construction and improvement of facilities permitted under the Act and that are required as conditions of development of property in the District, the Future Annexation Area and any other property annexed to the District. The Authorized Facilities include, among others, roadway improvements, wastewater treatment facilities, water facilities, reclaimed water facilities, drainage improvements, landscaping, open space improvements, parks and park equipment, public safety improvements, sound walls and improvements financed by various fees.

Any Facility authorized to be financed by the District and each Improvement Area may be financed through the construction and acquisition of the Facility or through the payment of fees for such facility. The Authorized Facilities may be located within or outside the District.

Status of Construction of Facilities. For the current status of the construction of Facilities in Improvement Area No. 1, see "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

Debt Service Coverage

The Amended Rate and Method is structured to produce annual Special Tax revenues from the Maximum Special Tax which, when applied to the projected debt service on the 2018 Bonds, the 2019 Bonds, the 2020 Bonds and future Parity Bonds, is anticipated to result in a debt service coverage ratio of at least 110% for the life of the 2018 Bonds, the 2019 Bonds, the 2020 Bonds and future Parity Bonds, after taking into account estimated Administrative Expenses.

It should be noted that the City may in the future issue Parity Bonds on a parity with the 2018 Bonds, the 2019 Bonds, and the 2020 Bonds upon the satisfaction of the conditions contained in the Fiscal Agent Agreement, up to a total combined bond authorization for Improvement Area No. 1 of $80,000,000. However, any Parity Bonds issued must meet the conditions set forth in the Fiscal Agent Agreement. See "SECURITY FOR THE BONDS – Issuance of Future Parity Bonds" for the conditions under which the City may issue future Parity Bonds. See "THE 2020 BONDS – Bonded Indebtedness Limit" for a calculation of the remaining bonded indebtedness limit following the issuance of the 2020 Bonds.

City of Tracy Growth Management Ordinance (GMO)

On June 16, 1987, the City Council of the City adopted by ordinance a Residential Growth Management Plan, as subsequently amended (the "**Growth Management Ordinance**"). It provides for eligibility requirements and procedures for residential building permits for projects in the City. Under the Growth Management Ordinance, builders must obtain a residential growth allotment ("**RGA**") in order to secure a residential building permit.

Currently, the Growth Management Ordinance allows RGAs to be issued for 600 to 750 building permits per year. The number of RGAs allowed in each year is based on the average of units absorbed since the year 2000. THPO and the THPO Affiliates currently predict that the annual available building permits will be 750 per year through 2028. The allocation of the RGAs is governed by the Council-approved Growth Management Ordinance guidelines (the "**GMO Guidelines**"), which were last modified in 2014.

THPO and the THPO Affiliates believe the Growth Management Ordinance will not impact the development of homes within Improvement Area No. 1 given vested rights for the Tracy Hills Project and

the projected market absorption of homes in Improvement Area No. 1. The Tracy Hills Project is vested into the 2012 GMO Guidelines which provide that, in years where 750 RGAs may be allocated, The Tracy Hills Project is eligible to receive 406 RGAs, and in years where 600 RGAs may be allocated, The Tracy Hills Project is eligible to receive 325 RGAs. If owners within the Tracy Hills Project apply for less than the number of RGAs described above, the difference between the numbers of RGAs allocated and the numbers of RGAs described above will be reserved for that calendar year. The owners of the Tracy Hills Project may apply for these RGAs no later than the March 31st deadline set forth in the GMO Guidelines; if application is not made by that date, the RGAs will be made available for other projects. There is no sunset date for the allocation of RGAs in this manner.

The Tracy Hills Project received an allocation of 406 RGAs for 2018, of which 379 were perfected in 2018. The Tracy Hills Project received an allocation of 406 RGAs for 2019, 376 of which were perfected in 2019. The Tracy Hills Project received an allocation of 406 RGAs for 2020, 406 of which are anticipated to be perfected in 2020.

Market Absorption Study

In connection with the issuance of the 2020 Bonds, the City hired the Market Absorption Consultant, Empire Economics, Inc., to prepare the Absorption Study for the homes planned for Improvement Area No. 1. The Absorption Study sets forth various factors that may impact the development and sale of homes within Improvement Area No. 1. The Absorption Study also sets forth the forecast of absorption, which is set forth in the table below.

Estimated Absorption Schedule (Baseline-No Virus)

Year	2019 (actual)	2020[(1)]	2021	2022	2023	2024	2025
Estimated Escrow Closings	115	244	280	243	193	86	44
Cumulative	115	359	639	882	1,075	1,161	[1,205]

(1) Includes 186 actual escrow closings in the January 1, 2020 - September 15, 2020 period.
Source: Empire Economics, Inc.

Estimated Absorption Schedule (COVID-19 Scenario)

Year	2019 (actual)	2020[(1)]	2021	2022	2023	2024	2025
Estimated Escrow Closings	115	244	231	232	187	121	75
Cumulative	115	359	590	822	1,009	1,130	[1,205]

(1) Includes 186 actual escrow closings in the January 1, 2020 - September 15, 2020 period.
Source: Empire Economics, Inc.

Assumptions used in the Absorption Study include the following:

• Village #7 Vantage by Meritage is expected to have 182 homes on 4,000 square-foot lots that are priced at about $592,550 for 2,287 square feet of living area, for a value ratio (price/living area) of $259/square foot, on the average.

• Village #1 Amber by Lennar is expected to have 158 homes on 4,950 square-foot lots that are priced at about $612,630 for 2,395 square feet of living area, for a value ratio of $256/square foot, on the average.

• Village #4 Larimar by Lennar is expected to have 149 homes on 5,000 square-foot lots that are priced at about $623,880 for 2,642 square feet of living area, for a value ratio of $236/square foot, on the average.

• Village #2 Vente by Shea is expected to have 74 homes on 5,500 square-foot lots that are priced at about $666,333 for 3,105 square feet of living area, for a value ratio of $211/square foot, on the average.

• Village #3 Opal by Lennar is expected to have 103 homes on 5,500 square-foot lots that are priced at about $684,380 for 3,099 square feet. of living area, for a value ratio of $221/square foot, on the average.

• Village #5 Pearl by Lennar is expected to have 196 homes on 6,000 square-foot lots that are priced at about $709,130 for 3,297 square feet of living area, for a value ratio of $215/square foot, on the average.

• Village #8 Topaz by Lennar is expected to have 139 homes on 6,500 square-foot lots that are priced at about $739,630 for 3,677 square feet of living area, for a value ratio of $201/square foot, on the average.

• Village #6A Elan-1 by a future builder is expected to have 70 homes on 7,000 square-foot lots that are priced at about $723,620 for 3,447 square feet of living area, for a value ratio of $210/square foot, on the average.

• Village #6B (which is expected to be re-designated as Village #7C) Elan-2, by a future builder is expected to have 132 homes on 3,500 square-foot lots that are priced at about $497,667 for 2,089 square feet of living area, for a value ratio of $238/square foot, on the average.

The Absorption Study notes that, according to the Growth Management Ordinance and GMO Guidelines, the forthcoming residential projects in Improvement Area No. 1 are eligible to receive between 325 to 406 RGAs per year. The amount of annual allocations the Tracy Hills Project is eligible to receive a year exceeds the Market Absorption Consultant's estimated annual absorption rates.

The City is not obligated to make, and has not undertaken to make, an independent verification of the information contained in the Absorption Study and assumes no responsibility for the accuracy or completeness of the Absorption Study.

A copy of the Absorption Study is set forth in its entirety as APPENDIX D – Market Absorption Study.

Environmental Matters

Flood Hazard Map Information. According to the Federal Emergency Management Agency's flood insurance rate maps (Map Panel Number 06077C-0740F, dated October 16, 2009), the developable portions of the property in Improvement Area No. 1 are located within Flood Zone X, described as areas of minimal flooding (outside of the 100 and 500-year floodplains). Property in Improvement Area No. 1 is not subject to the Central Valley Flood Protection Plan.

Seismic Conditions. According to the Seismic Safety Commission, Improvement Area No. 1 is located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. In addition, Improvement Area No. 1 is not located within a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 of the California Department of Conservation, Division of Mines and Geology.

Wetlands. No wetland mitigation was required for development within Improvement Area No. 1.

Petroleum Pipeline. A Phase I environmental site assessment report was prepared for the land in the District by Haley & Aldrich, dated September 2017. The report identifies two recognized environmental conditions on the property within Improvement Area No. 1 associated with the presence of an unpressurized ConocoPhillips 66 pipeline and an unpressurized Shell petroleum pipeline. Haley & Aldrich recommended abandoning the on-site groundwater wells (which are located within the District, but outside of improvement Area No. 1) according to local and state regulatory guidelines; one well has been abandoned, and the other remains in use for agricultural purposes. However, no additional assessment consisting of soil, groundwater and soil gas sampling is required for the development of the land in Improvement Area No. 1.

Explosives Testing. The Lawrence Livermore National Laboratory ("**LLNL**") Experimental Test Site ("**Site 300**") is a restricted-access facility operated for the U.S. Department of Energy National Nuclear Security Administration ("**DOE/NNSA**") by Lawrence Livermore National Security, LLC. Site 300 is located approximately 1.33 miles to the west/southwest of the Tracy Hills project. The Site 300 facility is used in the research, development, and testing of non-radioactive explosive materials to support DOE/NNSA stockpile stewardship, counterterrorism and counterproliferation programs. Site 300 has been in operation as an explosive testing and research facility since 1955.

Site 300 conducts explosive testing in both indoor and outdoor facilities. Explosive testing conducted at Site 300 is regulated by the San Joaquin Valley Air Pollution Control District ("**SJVAPCD**"). Currently, Site 300 operates under a SJVAPCD air permit that allows detonations of explosives up to 100 pounds per day and 1,000 pounds per year. To minimize noise impacts to surrounding land uses, adjacent neighbors and other sensitive receptors, Site 300 constructed the Contained Firing Facility in 2000. The concrete, 28,000 square foot facility allows Site 300 to conduct explosive tests indoors. Intermittent outdoor explosive tests (otherwise known as open detonations) are also conducted.

In the Fall of 2017, DOE/NNSA submitted a new SJVAPCD permit application and released a Draft Environmental Assessment proposing to increase the weight of explosives from the current limit of 100 lbs./day to 1,000 lbs./day, and from 1,000 lbs./year to 7,500 lbs./year. The proposed increase would allow larger single detonations and would result in more open detonations. Tracy Hills, the City and the County all submitted comment letters expressing concern and questions in regards to potential increase in noise impacts. To date, the SJVAPCD has not taken any action on the permit application.

Appraised Values

General. The Appraisal was prepared to estimate the market value of the taxable land within Improvement Area No. 1 as of a September 15, 2020, date of value.

The properties appraised encompass all of the taxable land in Improvement Area No. 1, which are planned for development as 1,203 single-family detached homes in eight Villages, with minimum pad sizes ranging from 3,500 square feet to 7,000 square feet.

Value Estimate. The Appraisal provides a market value of the appraised properties by Village, as well as a cumulative value, as of the date of value of $398,408,000. The aggregate value is not the market value of the appraised properties in bulk.

Appraisal Methodology. The appraised property was valued by employing the sales comparison approach to value and land residual analysis. In the sales comparison approach to value, the Appraiser analyzed comparable bulk lot sales from the region and adjusted the datum for attributes that varied from the appraised property's various lot size categories. Then, to support the reasonableness of the sales comparison approach conclusions, the Appraiser utilized a land residual analysis. The lot values indicated by each approach were then reconciled into an opinion of market value, subject to the hypothetical condition impact fees and infrastructure improvements to be financed by the 2020 Bonds are in place. The market value as of the September 15, 2020, date of value was estimated by deducting the approximate remaining costs (both in-tract and infrastructure) as well as infrastructure fees to complete the lots to a finished condition.

The appraised property comprises various sized standard residential lots between 3,500 and 7,000 square feet. Of these typical lot sizes, the Appraiser notes that the average size is about 5,556 square feet. Therefore, the Appraiser concluded that a parcel with approximately 5,500 square feet is an appropriate benchmark parcel for use in the sale comparison approach. For purposes of analysis the Appraiser considered that the appraised property's eight villages have lot counts that range from 74 to 196 lots, with an average of 142 lots. Therefore, for purposes of analysis, the Appraiser utilized Village 3 as the benchmark. Village 3 contains 103 lots with a typical lot size of 5,500 square feet.

As part of the sales comparison approach, the Appraiser stated that the market data set consists of various sales that are considered reasonable indicators of market value for the fee simple interest in the single-family residential lot category of the subject property. The Appraiser concluded that the finished lot value for the benchmark village is $216,000.

In addition, the Appraiser undertook a land residual analysis. The Appraisal indicates the land residual analysis is employed as an additional indicator of market value for the subject's lots, by phase. This valuation method is used in estimating land value when subdivision and development are the highest and best use of the land being appraised. All direct and indirect costs are deducted from an estimate of the anticipated gross sales price of the improved product; the resultant net sales proceeds are then discounted to present value at an anticipated rate over the development and absorption period to indicate the value of the land. The land residual analysis is conducted on a quarterly basis. As a discounted cash flow analysis, the land residual analysis consists of four primary components: revenue, absorption analysis, expenses and discount rate. Based on the land residual analysis the Appraiser concluded that the finished lot value for benchmark village was $225,000.

The Appraiser notes that, at $225,000 per lot, the estimate of residual value represents a difference of approximately 4% of the sales comparison approach estimate ($216,000). The land residual analysis is considered generally supportive of the sales comparison approach, which was relied upon in the Appraisal's final conclusion of value. After accounting for remaining site development costs, permits and fee and special taxes, the appraiser concludes values for each village and then by ownership.

Hypothetical Conditions. A hypothetical condition is a condition contrary to known facts on the effective date of the appraisal, but is supposed for the purposes of analysis. The estimate of market value in the Appraisal is subject to the hypothetical conditions that proceeds from the 2020 Bonds have been used to fund the completion of site development associated with Phase 1 of Tracy Hills and that the revised map for newly re-designated Village 7C is approved and recorded as planned.

Assumptions and Limiting Conditions. In addition to the hypothetical conditions described above, the market value of the appraised parcels is subject to a number of other assumptions and conditions which affect the estimates as to value, which are set forth in APPENDIX C.

Accordingly, because the Appraiser arrived at an estimate of current market value based upon certain assumptions which may or may not be fulfilled, no assurance can be given that should the parcels become delinquent due to unpaid Special Taxes, and be foreclosed upon and offered for sale for the amount of the delinquency, that any bid would be received for such property or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Taxes.

Limitations of Appraisal Valuation. Property values may not be evenly distributed throughout Improvement Area No. 1; thus, certain parcels may have a greater value than others. This disparity is significant because in the event of nonpayment of the Special Tax, the only remedy is to foreclose against the delinquent parcel. No assurance can be given that the foregoing valuation can or will be maintained during the period of time that the 2020 Bonds are outstanding in that the City has no control over the market value of the property within Improvement Area No. 1 or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, may be on a parity with the Special Taxes.

For a description of certain risks that might affect the assumptions made in the Appraisal, see "BOND OWNERS' RISKS" herein.

The description herein of the Appraisal is intended for limited purposes only; the Appraisal should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, conditions and qualifications which are set forth in the Appraisal. See APPENDIX C for the Appraisal Report.

Neither the City nor the Underwriter makes any representation as to the accuracy or completeness of the Appraisal.

Value-to-Lien Ratios and Share of Special Taxes

General. Based on the appraised values set forth in the Appraisal, the outstanding principal amount of the 2018 Bonds, the 2019 Bonds and the proposed principal amount of the 2020 Bonds, the overall value-to-lien ratio of the land within Improvement Area No. 1 is approximately 6.08:1.* No other community facilities districts or assessment districts currently have overlapping bonded debt affecting the property in Improvement Area No. 1. The estimated value-to-lien ratio of the land within Improvement Area No. 1 including general obligation bond debt would be _____:1.*

Value-to-Lien Analysis and Share of Special Taxes by Merchant Builder Ownership. The following table shows the approximate value-to-lien ratios allocated to the merchant builders and

* Preliminary; subject to change.

individual owners, based on the appraised values set forth in the Appraisal, the outstanding principal amount of the 2018 Bonds, 2019 Bonds and the proposed principal amount of the 2020 Bonds.

No assurance can be given that the amounts shown in these tables will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

Table 1
Appraised Values and Value-to-Lien Ratios
By Property Owner and Share of 2020-21 Special Tax Levy

Property Owner (1)	Parcels of Developed Property (2)	Acres of Undeveloped Property (2)	Expected Residential Units	Projected FY 2021-22 Special Tax Levy (3)	% of Projected FY 2021-22 Special Tax Levy	Appraised Value (4)	Allocated 2018, 2019 and 2020 Bond Debt (5)(6)*	Average Value-to-Lien*
Individual Homeowners	309	0.0	309	$949,012	27.3%	$198,130,000	$17,930,974	11.05
Lennar Homes of California, Inc.								
Village 1	47	7.6	106	$268,093	7.7%	$23,350,000	$5,065,440	4.61
Village 3	40	1.9	51	160,364	4.6%	11,660,000	3,029,974	3.85
Village 4	44	7.6	100	265,650	7.6%	27,920,000	5,019,287	5.56
Village 5	20	22.2	157	478,985	13.8%	37,360,000	9,050,104	4.13
Village 8	26	15.3	115	382,543	11.0%	29,890,000	7,227,909	4.14
Subtotal	177	54.7	529	$1,555,635	44.8%	$130,180,000	$29,392,714	4.43
Shea Homes, Inc.								
Village 2	19	3.4	42	$121,618	3.5%	$10,680,000	$2,297,885	4.65
Meritage Homes of California, Inc.								
Village 7	38	9.2	121	$260,237	7.5%	$25,940,000	$4,917,017	5.28
Tracy Phase I, LLC								
Village 6	0	13.6	70	$246,694	7.1%	$15,750,000	$4,661,128	3.38
Village 7	0	18.8	132	340,858	9.8%	18,348,000	6,440,282	2.85
Subtotal	0	32.5	202	$587,552	16.9%	$34,098,000	$11,101,410	3.07
Total	**541**	**100.1**	**1,203**	**$3,474,054**	**100.0%**	**$399,028,000**	**$65,640,000**	**6.08**

**Preliminary, subject to change.*
(1) Based on the Appraisal.
(2) Under the Amended Rate and Method, Developed Property generally means, in any Fiscal Year, all parcels of taxable property for which a building permit for vertical construction was issued prior to June 30 of the preceding Fiscal Year, and Undeveloped Property generally means all parcels of taxable property that are not classified as Developed Property. See "SECURITY FOR THE BONDS – Amended Rate and Method."
(3) Based on the building permits for vertical construction issued by the City as of September 15, 2020, and assumes no further development. The projected special tax levy for Fiscal Year 2021-22 includes the estimated debt service due on the 2018 Bonds, 2019 Bonds, and 2020 Bonds, plus an estimated $43,650 in administrative expenses.
(4) Represents an allocation of the market values reported in the Appraisal. The allocated values may not be indicative of the market values of the groupings or the individual lots. Does not include rounding shown in the Appraisal.
(5) Allocated based on the projected Fiscal Year 2021-22 special tax levy. Includes the $32,525,000 outstanding principal amount of the 2018 Bonds, the $14,815,000 outstanding principal amount of the 2019 Bonds, plus the estimated $18,300,000* principal amount of the 2020 Bonds.
(6) No other community facilities districts or assessment districts currently have overlapping bonded debt affecting the property in Improvement Area No. 1. Does not take into account overlapping general obligation bond debt.
Source: Integra Realty Resources; Piper Sandler & Co.; Goodwin Consulting Group, Inc.

Value-to-Lien Analysis by Value-to-Lien Category. The following table shows the approximate value-to-lien ratios in Improvement Area No. 1 allocated by value-to-lien category, based on the appraised values set forth in the Appraisal, the outstanding principal amount of the 2018 Bonds, the 2019 Bonds and the proposed principal amount of the 2020 Bonds.

The table below breaks down the expected units with value-to-lien ratios below 3 to 1 by Village. The appraised value for undeveloped property represents the average value for undeveloped property in each respective Village, and does not take into account variations in size or location among parcels.

No assurance can be given that the amounts shown in these tables will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

Table 2
Summary of Value-to-Lien Ratios By Value-to-Lien Category*

Value-to-Lien Category	Expected Residential Units	Projected FY 2021-22 Special Tax Levy (1)	Percent of Projected FY 2021-22 Special Tax Levy	Appraised Value (2)	Allocated 2018, 2019 and 2020 Bond Debt (3)(4)*	Average Value-to-Lien Ratios*
Greater than 10:1	325	$971,883	28.0%	$206,640,000	$18,363,104	11.25
5:1 to 10:1	140	341,472	9.8%	45,425,000	6,451,894	7.04
4:1 to 5:1	264	673,998	19.4%	55,575,000	12,734,758	4.36
3:1 to 4:1	262	801,379	23.1%	55,645,000	15,141,534	3.67
Less than 3:1						
Village 2	2	8,971	0.3%	420,000	169,508	2.48
Village 3	2	10,744	0.3%	420,000	202,999	2.07
Village 4	4	16,622	0.5%	820,000	314,068	2.61
Village 5	27	112,103	3.2%	5,805,000	2,118,113	2.74
Village 6	16	73,218	2.1%	3,600,000	1,383,405	2.60
Village 7	134	348,201	10.0%	18,738,000	6,579,032	2.85
Village 8	27	115,462	3.3%	5,940,000	2,181,584	2.72
Total	1,203	$3,474,054	100.0%	$399,028,000	$65,640,000	6.08

**Preliminary, subject to change.*
(1) Based on the building permits issued by the City as of September 15, 2020, and assumes no further development. The projected special tax levy for Fiscal Year 2021-22 includes the estimated debt service due on the 2018 Bonds, 2019 Bonds, and 2020 Bonds, plus an estimated $43,650 in administrative expenses.
(2) Represents an allocation of the market values reported in the Appraisal. The allocated values may not be indicative of the market values of the groupings or the individual lots. Does not include rounding shown in the Appraisal.
(3) Allocated based on the projected Fiscal Year 2020-21 Special Tax levy. Includes the $32,525,000 outstanding principal amount of the 2018 Bonds, the $14,815,000 outstanding principal amount of 2019 Bonds, plus the estimated $18,300,000* principal amount of the 2020 Bonds
(4) No other community facilities districts or assessment districts currently have overlapping bonded debt affecting the property in Improvement Area No. 1. Does not take into account overlapping general obligation bond debt.
Source: Integra Realty Resources; Piper Sandler & Co.; Goodwin Consulting Group, Inc.

Projected Special Tax Levy and Appraised Values. The following table shows the projected Special Tax levy for Fiscal Year 2021-22 and appraised values of property in Improvement Area No. 1, by development status, based on the appraised values set forth in the Appraisal, the outstanding principal amount of the 2018 Bonds, the 2019 Bonds and the proposed principal amount of the 2020 Bonds.

No assurance can be given that the amounts shown in these tables will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

Table 3
Projected Fiscal Year 2021-22 Special Tax Levy and Appraised Values

Development Status (1)	Taxable Parcels	Expected Residential Units	Projected FY 2021-22 Special Tax Levy (1)	Percent of Projected FY 2021-22 Special Tax Levy	Appraised Value (2)	Allocated 2018, 2019, and 2020 Bond Debt (3) (4)*	Average Value-to-Lien Ratios*
Developed Property							
Individual Homeowner	309	309	$949,012	27.3%	$193,130,000	$17,930,974	11.05
Builder Owned							
Completed Homes	22	22	75,148	2.2%	$14,770,000	$1,419,868	10.40
Model Homes	26	26	79,015	2.3%	17,155,000	1,492,937	11.49
Homes Under Construction	123	123	373,273	10.7%	25,370,000	7,052,744	3.60
Finished Lot	61	61	187,411	5.4%	12,715,000	3,541,017	3.59
Subtotal	541	541	$1,663,859	47.9%	$268,140,000	$31,437,540	8.59
Undeveloped Property							
Lennar Homes of California, Inc.	352	352	$989,972	28.5%	$74,920,000	$18,704,888	4.01
Shea Homes, Inc.	23	23	62,112	1.8%	5,295,000	1,173,570	4.51
Meritage Homes of California, Inc.	85	85	170,559	4.9%	16,575,000	3,222,593	5.14
Tracy Phase I, LLC	73	202	587,552	16.9%	34,098,000	11,101,410	3.07
Subtotal	533	662	$1,810,195	52.1%	$130,888,000	34,202,460	3.83
Total	**1,074**	**1,203**	**$3,474,054**	**100.0%**	**$399,028,000**	**$65,640,000**	**6.08**

**Preliminary, subject to change.*
(1) Based on the building permits issued by the City as of September 15, 2020, and assumes no further development. The projected special tax levy for Fiscal Year 2021-22 includes the estimated debt service due on the 2018 Bonds, 2019 Bonds, and 2020 Bonds, plus an estimated $43,650 in administrative expenses.
(2) Represents an allocation of the market values reported in the Appraisal. The allocated values may not be indicative of the market values of the groupings or the individual lots. Does not include rounding shown in the Appraisal.
(3) Allocated based on the projected Fiscal Year 2020-21 Special Tax levy. Includes the $32,525,000 outstanding principal amount of the 2018 Bonds, the $14,815,000 outstanding principal amount of 2019 Bonds, plus the estimated $18,300,000* principal amount of the 2020 Bonds
(4) No other community facilities districts or assessment districts currently have overlapping bonded debt affecting the property in Improvement Area No. 1. Does not take into account overlapping general obligation bond debt.
Source: Integra Realty Resources; Piper Sandler & Co.; Goodwin Consulting Group, Inc.

Illustrative Tax Bill. The following table shows an illustrative tax bill for a sample home in each Village in Improvement Area No. 1.

Table 4
Fiscal Year 2019-20 Illustrative Tax Bill

Assumptions		**Village 1**	**Village 2**	**Village 3**	**Village 4**	**Village 5**	**Village 6**	**Village 7**	**Village 8**
Estimated Sales Price (1)		$612,630	$666,333	$684,380	$623,880	$709,130	$723,620	$545,109	$739,630
Homeowner's Exemption		($7,000)	($7,000)	($7,000)	($7,000)	($7,000)	($7,000)	($7,000)	($7,000)
Net Expected Assessed Value		$605,630	$659,333	$677,380	$616,880	$702,130	$716,620	$538,109	$732,630
Ad Valorem Tax Rate	**Rate**								
County General	1.00000%	$6,056	$6,593	$6,774	$6,169	$7,021	$7,166	$5,381	$7,326
Jefferson Elem Bond 2011A	0.01300%	79	86	88	80	91	93	70	95
Jefferson Elem Bond 2013B	0.00910%	55	60	62	56	64	65	49	67
Jefferson Elem Bond 2014C	0.00400%	24	26	27	25	28	29	22	29
SJ Delta College Bond 2015R	0.00126%	8	8	9	8	9	9	7	9
SJ Delta College Bond 2018D	0.00340%	21	22	23	21	24	24	18	25
SJ Delta College Bond 2020R	0.00230%	14	15	16	14	16	16	12	17
Tracy-Lammersville SD Bond 2014R	0.00760%	46	50	51	47	53	54	41	56
Tracy-Lammersville SD Bond 2015R	0.00630%	38	42	43	39	44	45	34	46
Total Ad Valorem Taxes	**1.04696%**	**$6,341**	**$6,903**	**$7,092**	**$6,458**	**$7,351**	**$7,503**	**$5,634**	**$7,670**
Direct Charges									
Tracy Rural Fire		$89	$115	$115	$98	$122	$127	$81	$136
SJC Mosq & VCTR Contr-Benefit Assessment		9	9	9	9	9	9	9	9
Water Zone 2		3	3	3	3	3	3	3	3
CSA No. 53		4	4	4	4	4	4	4	4
SJC Mosquito Abatement		2	2	2	2	2	2	2	2
CFD No. 2016-1 (Tracy Hills)		$2,712	$3,070	$3,068	$2,849	$3,789	$4,162	$2,442	$3,975
CFD No. 2018-1 (Maintenance and Public Services)		230	230	230	230	230	230	230	230
Total Direct Charges		**$3,048**	**$3,433**	**$3,430**	**$3,194**	**$4,155**	**$4,537**	**$2,771**	**$4,358**
Total Taxes and Direct Charges		**$9,388**	**$10,336**	**$10,522**	**$9,652**	**$11,506**	**$12,040**	**$8,404**	**$12,028**
Percentage of Estimated Sales Price		**1.53%**	**1.55%**	**1.54%**	**1.55%**	**1.62%**	**1.66%**	**1.54%**	**1.63%**

(1) Reflects the average estimated sales price per the Market Absorption Study.
Source: Empire Economics; San Joaquin County Tax Collector's Office, Goodwin Consulting Group, Inc.

Direct and Overlapping Governmental Obligations

Overlapping Debt Statement. Contained within the boundaries of Improvement Area No. 1 are certain overlapping local agencies providing public services. Many of these local agencies have outstanding debt. The direct and overlapping debt affecting Improvement Area No. 1 as of _____, 2020 is shown in the table below, a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. The Debt Report is included for general information purposes only. Neither the City nor the Underwriter has reviewed the Debt Report for completeness or accuracy and neither makes any representation in connection therewith.

The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of Improvement Area No. 1 in whole or in part. These long-term obligations are not payable from revenues of Improvement Area No. 1 (except as indicated) nor are they necessarily obligations secured by land within Improvement Area No. 1. In many cases long term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies that have outstanding debt as of the date of the Debt Report and whose territory overlaps Improvement Area No. 1; (2) the second column shows the percentage of the assessed valuation of the overlapping public agency identified in column 1 which is represented by property located within Improvement Area No. 1; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in Improvement Area No. 1, as determined by multiplying the total outstanding debt of each agency by the percentage of the public agency's assessed valuation represented in column 2.

Table 5
Direct and Overlapping Governmental Obligations
As of _____, 2020

[on order]

(1) Excludes the 2020 Bonds.
Source: California Municipal Statistics, Inc.

Potential Consequences of Special Tax Delinquencies

General. Delinquencies in the payment of property taxes (including the Special Taxes) with respect to property in Improvement Area No. 1 could result in draws on the 2020 Reserve Fund established for the 2020 Bonds, and perhaps, ultimately, a default in the payment on the 2020 Bonds. See "BOND OWNERS' RISKS." As of September 22, 2020, two parcels in Improvement Area No. 1 were delinquent in the payment of Special Taxes.

The Board of Supervisors of San Joaquin County adopted the Teeter Plan in Fiscal Year 1994-95. The County has elected to apply its Teeter Plan to the collection of the Special Taxes in Improvement Area No. 1. To the extent that the County's Teeter Plan continues in existence and is carried out as adopted, and to the extent the County does not discontinue the Teeter Plan with respect to the District, the County's Teeter Plan may help protect owners of the 2020 Bonds from the risk of delinquencies in the payment of Special Tax. *There can be no assurance that the County will not modify or eliminate its Teeter Plan, or choose to remove the District from its Teeter Plan, while the 2020 Bonds are outstanding.* See "SECURITY FOR THE BONDS – Covenant to Foreclose – Special Tax Delinquencies; Teeter Plan" for additional information.

Special Tax Enforcement and Collection Procedures. The City could receive additional funds for the payment of debt service through foreclosures sales of delinquent property, but no assurance can be given as to the amount of foreclosure sale proceeds or when foreclosure sale proceeds would be received. The City has covenanted in the Fiscal Agent Agreement to take certain enforcement actions and commence and pursue foreclosure proceedings against delinquent parcels under the terms and conditions described herein. See "SECURITY FOR THE BONDS – Covenant to Foreclose" and "BOND OWNERS' RISKS."

Foreclosure actions would include, among other steps, formal City Council action to authorize commencement of foreclosure proceedings, mailing multiple demand letters to the record owners of the delinquent parcels advising them of the consequences of failing to pay the applicable Special Taxes and contacting secured lenders to obtain payment. If these efforts were unsuccessful, they would be followed (as needed) by the filing of an action to foreclose in superior court against each parcel that remained delinquent.

Limitations on Increases in Special Tax Levy. If owners are delinquent in the payment of Special Taxes, the City may not increase Special Tax levies to make up for delinquencies for prior Fiscal Years above the Maximum Special Tax rates specified for each category of property within Improvement Area No. 1. See "SECURITY FOR THE BONDS – Amended Rate and Method." In addition, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2020 Bonds. See "BOND OWNERS' RISKS."

PROPERTY OWNERSHIP AND THE DEVELOPMENT

The information provided in this section has been included because it may be considered relevant to an informed evaluation and analysis of the 2020 Bonds and the District. No assurance can be given, however, that the proposed development of the property within the Tracy Hills Project and Improvement Area No. 1 will occur in a timely manner or in the configuration or to the density described herein, or that Tracy Phase I, LLC, the THPO Affiliates (as defined below), the merchant builders, any owners or affiliates thereof, or any other property owner described herein will or will not retain ownership of its respective property within the Tracy Hills Project or Improvement Area No. 1. Neither the 2020 Bonds nor any of the Special Taxes are personal obligations of any property owner within Improvement Area No. 1. The 2020 Bonds are secured solely by the Special Taxes levied on property within Improvement Area No. 1 and amounts on deposit in certain of the funds and accounts maintained by the Fiscal Agent under the Fiscal Agent Agreement.

The Master Developer and Subsidiaries

The Tracy Hills Project Owner. The property in Improvement Area No. 1 is part of the larger master-planned community known as "Tracy Hills" (the "**Tracy Hills Project**" or the "**THPO Property**") being developed by The Tracy Hills Project Owner, LLC, a Delaware limited liability company ("**THPO**"). THPO is developing the property through six affiliated owners (the "**THPO Affiliates**"), as follows:

Phase	THPO Affiliate
Phase 1A	Tracy Phase I, LLC
Phase 1B	Tracy Phase IB, LLC
Phase 2	Tracy Phase 2, LLC
Phase 3	Tracy Phase 3, LLC
Phase 4	Tracy Phase 4, LLC
Business Park/School Site (Part of Phase 1A and 1B)	Tracy BPS, LLC

Each of the THPO Affiliates is a Delaware limited liability company, whose sole member is Tracy Hills Holding Company, LLC ("**Tracy Hills Holding Company**"). Tracy Hills Holding Company is a Delaware limited liability company whose sole member is THHC Manager, LLC ("**THHC Manager**"). THHC Manager is a Delaware limited liability company whose sole member is THPO.

Integral Communities. THPO, the THPO Affiliates, Tracy Hills Holding Company and THHC Manager are entities managed by the principals of Integral Communities. The principals of Integral Communities have over 150 years of combined experience in the real estate development business. Many of the principals spent more than a decade growing Western Pacific Housing into a successful western states home building and development company. Recognized as the 12th-largest homebuilder in the country at one time, Western Pacific was later sold to D.R. Horton for in excess of $1 billion in market capitalization. Following the sale to D.R. Horton, the five principals formed Integral Communities.

Integral Communities creates new opportunities from underutilized or undeveloped parcels of land through value-added land planning, with projects that include for-sale, apartment, mixed-use and residential multi-family opportunities. Previous projects of Integral Communities include, among others, the following:

- Gateway Station - Newark, CA (580 residential units sold to Lennar Homes).
- Dublin Ranch Sub Area 3 - Dublin, CA (437 residential units sold to Lennar Homes).
- Dublin Ranch Lot 3 - Dublin, CA (123 residential units sold to Lennar Homes).
- Centre Pointe - Milpitas, CA (241 residential units sold to D.R. Horton).
- Houret - Milpitas, CA (114 residential units sold to The New Home Company).

• Riverdale – Long Beach, CA (131 residential units as a joint venture with Brandywine Homes).
• Torian – Newark, CA (547 residential units sold to William Lyon Homes).
• Palmilla - Brentwood, CA (400 residential units sold to Pulte and William Lyon Homes).
• Montecito Vista - San Jose, CA (284 residential units sold to Taylor Morrison and Lennar Homes).
• The Fields - Milpitas, CA (1,185 for-sale and for-rent multifamily residential units as a joint venture with Lyon Living).

Further information regarding Integral Communities is available from its website at integralcommunities.com. *This internet address is included for reference only, and the information on the internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement.*

The Tracy Hills Project

The Tracy Hills Project is part of the larger Tracy Hills Specific Plan ("**TH Specific Plan**"). The TH Specific Plan, which encompasses approximately 2,732 gross acres, with 1,811 developable acres, approved the development of various land uses, including residential estates, low density residential, medium density residential, high density residential, mixed-use business park, general highway commercial, light industrial and conservation corridors.

The TH Specific Plan land assemblage began in the mid-1980s by a local land broker. As the project was processed through the City of Tracy, additional properties were added to create the current boundaries of the TH Specific Plan.

The TH Specific Plan was added to the City of Tracy's General Plan in 1993. The original TH Specific Plan and EIR were approved and annexed into the City of Tracy in 1998. The Growth Management Ordinance effectively placed a moratorium on residential development in the TH Specific Plan until 2012. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – City of Tracy Growth Management Ordinance (GMO)."

THPO purchased the THPO Property – a portion of the TH Specific Plan - in late 2012. Due to the passage of time, the TH Specific Plan needed to be updated and modernized, and a Subsequent Environmental Impact Report was prepared. This culminated with City of Tracy approval of a new Tracy Hills Specific Plan (the "**Revised TH Specific Plan**"), a Subsequent Environmental Impact Report, a Development Agreement covering the THPO Property, and a large lot and small lot tentative subdivision map on the Tracy Phase I property in April of 2016.

The THPO Property (including the land in Improvement Area No. 1) is composed of approximately 1,853 gross acres of the Revised TH Specific Plan.

THPO has conveyed all of the THPO Property to the THPO Affiliates. THPO and the THPO Affiliates intend to develop the Tracy Hills Project in five phases, as described below:

Phase 1A: Phase 1A is to be developed as 1,203 single family detached units, 50 acres of Mixed Use Business Park, 12 acres of public parks, a 14-acre K-8 school site, and open space. See "– Development Plan for Improvement Area No. 1" below for more information.

Phase 1B: Phase 1B is expected to be developed as 430 single family detached units, 5 acres of public parks, 135.6 acres of Mixed Use Business Park, 9.2 acres of high density residential (125 units), 29 acres of general highway commercial, and open space. Lots and housing commencement are subject to the housing market, but the applicable THPO Affiliate expects to

deliver blue top lots in 2021. The Master Developer is processing a Specific Plan Amendment that would rezone the Mixed Use Business Park and a portion of the general highway commercial to single family detached residential.

Phase 2: Phase 2 is expected to be developed as 1,457 units of single family detached units, 3.87 acres of general highway commercial, a 15-acre school site, 32 acres of public park, and open space. Lots and housing commencement are subject to the housing market, but the applicable THPO Affiliate expects to deliver blue top lots in 2022.

Phase 3: Phase 3 is expected to be developed as 1,327 units of single family detached units, a 19-acre school site, 31 acres of public park, and open space. Lots and housing commencement are subject to the housing market, but the applicable THPO Affiliate expects to deliver blue top lots in 2025.

Phase 4: Phase 4 is expected to be developed as 338 units of single family detached units, 4 acres of public park, 29 acres of mixed use business park, and open space. Lots and housing commencement are subject to the housing market, but the applicable THPO Affiliate expects to deliver blue top lots in 2028.

The residential lands in Phase 1A comprise Improvement Area No. 1 of the District. The Mixed-Use Business Park portion of Phase 1A and Phases 1B, 2, 3, and 4 are part of the Future Annexation Area of the District that may, in the future, be annexed into the District as separate improvement areas, *and these phases are not, and will not be, subject to the Special Tax securing the 2020 Bonds*.

Only the property in Improvement Area No. 1 (i.e., the residential portion of Phase 1A) is subject to the Special Tax that secures payment on the 2020 Bonds, the 2019 Bonds and the 2018 Bonds. The property that is anticipated to be developed as the Mixed-Use Business Park portion of Phase 1A and Phases 1B-4, inclusive, are not subject to the lien of Special Tax and will not be subject to a Special Tax securing the 2020 Bonds, the 2019 Bonds, the 2018 Bonds or any Parity Bonds in the future (unless annexed to Improvement Area No. 1, which is not currently contemplated by THPO).

Public Improvements Required for the Tracy Hills Project

General. The public infrastructure and development impact fees for the entirety of the Tracy Hills Project is estimated to cost approximately $637 million. All costs will be paid by THPO or its THPO Affiliates. The estimated costs set forth below do not include the costs of in-tract improvements. Cost estimates are as of September 15, 2020.

Construction on Phase 1A (Improvement Area No. 1) began in November of 2017. The following table shows the costs incurred, fees paid, and percentage completion as of September 15, 2020.

Table 6
Phase 1A Infrastructure Costs
(as of September 15, 2020)

Construction Costs	Estimated Cost (06/01/2018)	Revised Actual/Estimated Cost (as of 09/15/2020)	% of Work Complete (as of 09/15/2020)	Costs of Work to be Completed (as of 09/15/2020)
Grading	$7,718,612	$7,763,569	100%	$0
Retaining Walls	5,560,403	5,060,403	96%	202,416
Erosion Control/SWPP	750,000	749,000	100%	0
Spine Road	12,121,029	13,191,243	99%	131,912
Offsite Joint Trench/PG&E	2,712,857	2,784,688	100%	0
Traffic Triggers	5,935,210	5,383,624	55%	2,422,631
Parks	5,472,143	7,913,366	90%	791,337
Off-Site Sewer	7,333,243	7,744,653	100%	0
Off-Site Water	3,420,031	3,838,596	100%	0
On-Site Sewer	3,654,589	3,746,447	100%	0
Force Main	475,280	505,942	100%	0
On-Site Water	1,627,558	1,772,540	100%	0
Water Tank and Pump Station	10,554,068	10,378,962	80%	2,049,845
On-Site Storm Drain	1,103,565	1,103,565	100%	0
Reclaimed Water	527,868	546,171	100%	0
Landscape	6,651,581	9,692,152	90%	925,344
Walls and Fencing	3,418,763	3,325,298	98%	63,181
Soft Costs and Field Overhead	1,705,350	2,477,588	84%	388,938
SUBTOTAL CONSTRUCTION COSTS	**$80,742,150**	**$87,977,807**	**92%**	**$6,975,604**
Payments and Fees				
Infrastructure Lump Sum Payments/Fire Station	9,950,000	9,684,361	39%	5,898,012
School Payments	26,831,795	27,283,096	78%	5,918,670
Fees	9,158,532	9,070,486	99%	103,909
SUBTOTAL PAYMENTS AND FEES	**$45,940,327**	**$46,037,943**	**74%**	**$11,920,591**
TOTAL ESTIMATED COSTS	**$126,682,477**	**$134,015,750**	**86%**	**$18,896,195**

Source: THPO.

Regional Transportation Impact Fee Dispute. In connection with the City's entitling of the Tracy Hills Project in 1998, the Sierra Club, the County of Alameda and the City of Livermore sued to challenge the project. A settlement agreement was entered into that, among other items, established two transportation related fees payable by each residential dwelling unit within the Tracy Hills Project: a $1,000 per unit fee to mitigate impacts within San Joaquin County (the "**Transportation Impact Fee**"), and a $500 per unit fee (subject to escalation), payable to the City of Tracy/County of Alameda/City of Livermore Joint Powers Authority (the "**Transit JPA Fee**") to mitigate Tracy Hills transportation impacts within Alameda County. As stated in the settlement agreement, these fees are collected for various regional improvements within San Joaquin County and trip reduction projects in San Joaquin and Alameda counties. Further, the settlement agreement contains language stating that these fees shall be the only regional traffic impact fees charged against the Tracy Hills Project.

In 2005, the City adopted the San Joaquin Council of Governments (SJCOG) regional traffic impact fee (the "**SJCOG Fee**"). The settlement agreement provides that if the City adopts the SJCOG Fee at any time during the buildout of the project, the project shall receive a credit not to exceed $500 per unit against the Transportation Impact Fee.

All three of the foregoing fees are due at the time of building permit issuance. There was a dispute between the City and the developers of the Tracy Hills Project as to the effect of the settlement agreement and specifically whether the SJCOG Fee is applicable to the project. The total amount of fees in dispute relative to the land in Improvement Area No. 1 is approximately $2.9 million. The City and the developers of the Tracy Hills Project negotiated a compromise of this issue that results in some savings of fees in Improvement Area No. 1, which were refunded to the builders who had paid them. The dispute did not adversely impact the development of the project.

City Impact Fees. The Tracy Hills Project is subject to several development impact fees imposed by the City for infrastructure costs, such as storm water, potable water, wastewater, and traffic fees, all of which are generally charged to new developers as new structures are developed. THPO indicated to the City that it does not agree with the City's calculation of the fees for the development in Improvement Area No. 1 because THPO believed the City had not properly implemented certain increases in the manner required by State law. The amount disputed by THPO is approximately $2,210,657. The disputed impact fees were paid under protest by builders, and, as a result, the existence of the dispute did not interfere with development of the Tracy Hills Project. The same settlement agreement referenced above relating to the Regional Transportation Impact Fee resolved these issues and the City rescinded the increases and provided refunds to the builders who paid any improperly increased fees.

Acquisition Agreement

In connection with the formation of the District, THPO entered into the Master Acquisition Agreement dated July 19, 2016, by and between THPO and the City (the "**Master Acquisition Agreement**"). On the same date, the City and Tracy Phase I, LLC entered into the Acquisition Agreement (the "**Phase 1A Acquisition Agreement**" and together with the Master Acquisition Agreement, the "**Acquisition Agreements**"). The Master Acquisition Agreement authorized the financing of various infrastructure improvements and capital improvement fees for the entirety of the District. The Phase 1A Acquisition Agreement detailed the anticipated costs to be financed by the 2018 Bonds, the 2019 Bonds, the 2020 Bonds, and any Parity Bonds for Improvement Area No. 1 for street improvements, signalization, storm drains, sewer and water improvements, reclaimed water improvements, various parks, and the land and improvements for a fire station in a total estimated cost of approximately $60.8 million and the costs of capital impact fees in the approximate amount of $17.06 million.

The net proceeds of the 2018 Bonds, the 2019 Bonds and the 2020 Bonds, certain investment earnings thereon and the proceeds of the Special Tax are expected to be sufficient to fund a portion, but not all, of the improvements and fees listed in the Phase 1A Acquisition Agreement.

Tracy Phase I, LLC anticipates that bond proceeds from the property in future phases of the Tracy Hills Project, revenues from land sales, and the proceeds of the Goldman Revolving Loan and the Second Loan (as such terms are defined herein) will be used to fund some or all of the remaining portion of the improvements and fees.

Under the Master Acquisition Agreement, THPO may assign the Master Acquisition Agreement in part to the applicable THPO Affiliate in connection with the development of the applicable phase, and that THPO Affiliate will undergo a similar process in connection with the funding of improvements and fees associated with the future phases of the Tracy Hills Project.

The Amended Rate and Method provides that the funding of improvement costs can also be made from collections of the Special Tax available as the "pay-as-you-go" component of Special Taxes, also described herein as the Remainder Taxes. The Remainder Taxes will provide for funding of the cost of the authorized improvements. Under the Acquisition Agreements, Remainder Taxes are limited to 20 years from each Improvement Area and THPO and Tracy Phase I, LLC expect to utilize the Remainder Taxes for that time period.

Development Plan for Improvement Area No. 1

General. The taxable property in Improvement Area No. 1 was originally projected to be developed as 1,139 residential units. As a result of a subdivision of Village 6B (and simultaneous re-designation of Village 6B as Village 7C), which is described below, the taxable property in Improvement Area No. 1 is now projected to be developed as 1,203 residential units. Improvement Area No. 1 will also house a fire station and open space and HOA property (including an HOA welcome center).

Improvement Area No. 1 is being developed in 8 villages of single-family detached lots (each a "**Village**" and, collectively, the "**Villages**").

Tracy Phase I, LLC does not intend to construct residential homes in Improvement Area No. 1, but will instead develop the property to a blue top condition and then sell property within each Village to various merchant builders, as described below.

There are eight Villages of single family detached lots in Improvement Area No. 1. Seven of the eight Villages (excluding Village 7C, which is a portion of Village 7) have been sold to merchant builders. All merchant builders have commenced vertical construction. Tracy Phase I, LLC will either build all the in-tract improvements in a Village (funded by the merchant builder), build a portion of the in-tract improvements, or the in-tract improvements will be constructed entirely by the merchant builder.

Village 6 remains owned by Tracy Phase I, LLC. As a result of a subdivision and re-designation of Village 6B, as described in the next paragraph, Village 6 consists of only Village 6A, with 70 lots. Village 6A is under contract to be sold to Shea Homes Limited Partnership ("Shea Homes LP"). Shea Homes LP has posted an earnest money deposit and is conducting due diligence on Village 6A. The due diligence period expires on October 19, 2020. No guarantee can be made that Village 6A will be sold to Shea Homes LP.

In Village 6B, Tracy Phase I, LLC submitted a new tentative map to the City, which the City Council adopted by resolution on October 20, 2020, that changed the number of lots from 66 (each approximately 7,000 sq. ft.) to 132 (each approximately 3,500 sq. ft.), and re-designated these lots as Village 7C. The intent is to change the product from large single-family detached product to duets that will range in size from approximately 1,800 sq. ft to 2,600 sq. ft. Each single structure will contain two units which will straddle the property line. This will allow a smaller product to complement the mix of product available in Improvement Area No. 1. The street layout will not change, so the new lots will fit within the blue top

lots that already exist. Improvement plans are expected to be processed for the underground utilities and streets, with improvements expected to begin in late 2020 and construction of homes expected to begin in spring of 2021. Tracy Phase I, LLC is in negotiations with a prominent homebuilder for the sale of the lots in Village 7C, but there can be no guarantee that the homebuilder will purchase the lots.

Conditions of Approval. Descriptions of some of the facilities required as conditions of developing Phase 1A are further described below:

A. *Recycled Water Transmission Mains, Water Lines, and Crossing Improvements*. These facilities are required prior to the final inspection of the first residential building (excluding model homes). These facilities have been completed by Tracy Phase I, LLC, but have not yet been accepted by the City.

B. *Neighborhood Parks*. The conditions of development require the construction and acceptance by the City of three neighborhood parks according to the following schedule:

- The first park within 1 year following final inspection or the occupancy of the first production home (approximately July 2020). This park has been completed but has not yet been accepted by the City.
- The second park before final inspection or the occupancy of the 750th dwelling unit. This park is under construction and is expected to be completed in October, 2020.
- The third park before final inspection or the occupancy of the 1000th dwelling unit. This park is under construction and is expected to be completed in October, 2020.

The costs of all three parks are budgeted, and Tracy Phase I, LLC anticipates completing each park in advance of the time required.

C. *Trees in Conservation Easement and the Community Gateway Icon*. The planting of trees in the conservation easement (which has begun) and the installation of the Community Gateway icon (which has been completed) are required before the issuance of a building permit for the structure containing the 500th dwelling unit. Both items are budgeted, and Tracy Phase I, LLC anticipates completing construction of these improvements in a timely manner.

D. *At-Grade Water Storage Tank*. This facility is required prior to the final building inspection of the 301st residential building. Tracy Phase I, LLC is constructing this storage tank. The water storage tank has been designed and approved by the City, construction is underway, and Tracy Phase I, LLC anticipates completing construction by February 2021 (previously March 2020). This will push completion past the 301st final inspection but the City is aware of the construction delays and the City Engineer has indicated it will not interrupt development of the project due to the delays.

E. *Booster Pump Station*. The booster pump station for the John Jones Water Treatment Plant is fully funded, has been constructed by the City, and is complete and operational.

F. *Fire Station*. The conditions of development require that the fire station and related improvements must be completed prior to the final inspection or certificate of occupancy for the 289th residential unit. However, the City and Tracy Phase I, LLC have agreed to revise the requirement to defer the time for constructing the fire station. At current build-out expectations, construction of the fire station will commence in 2021, with delivery in 2022. However, if the build-out is accelerated, construction may be required sooner. Approximately 1 acre of Parcel C of the Mixed-Use Business Park will be used as a Fire Station site for the South County Fire Authority. As per the Development Agreement, Tracy Phase I, LLC will sell the site to the Fire Authority, design the fire station, build the Fire Station, and then dedicate it. Tracy Phase I, LLC has a maximum contribution of $5,500,000 to the Fire Station. The permit for construction of the Fire Station has been pulled and a contractor has been

selected. Per an agreement with City, construction started on September 1, 2020 and is expected to be complete by December 1, 2021.

G. *Traffic Improvements (including Signals)*. Traffic improvements and traffic signals (described as Traffic Triggers in Table 6 above) are required at various times throughout the development of the project. The costs of these traffic improvements have been budgeted, and Tracy Phase I, LLC anticipates completing construction of these improvements in a timely manner.

H. *School Facilities*. Tracy Phase I, LLC will provide funding to the Jefferson School District as per the Amended Mitigation Agreement. Jefferson School District will build an 800 student K-8 elementary school in three phases. The first phase will be open when the school can achieve 50% occupancy (approximately 800th Unit Closing) and the second phase will be built within one year of funding. The third phase will be built with Phase 1B of the Project. The $20.2 million mitigation payment due under the Mitigation Agreement on December 2, 2020, was made early on August 26, 2020. The final payment of $4.2 million is due upon the earlier of (i) issuance of the 850th certificate of compliance or (ii) the completion and approval by the City of foundation inspections for the 600th unit in the project. These triggers are expected in the spring of 2021.

I. *Welcome Center*. Approximately 2.6 acres of Parcel B of the Mixed-Use Business Park is being used for the Welcome Center for Phases 1A and 1B. The Welcome Center was built by Tracy Phase I, LLC and includes a general store, multi-purpose room, welcome center, restrooms, a swimming pool and extensive landscaping. The Welcome Center has been conveyed to the HOA and is leased by Tracy Phase I, LLC until buildout of Phases 1A and 1B. The Welcome Center, multi-purpose room, bathrooms, pool, and general store are complete and open. The general store is owned by Tracy BPS, LLC, and is operated through a lease with a general store operator.

Financing Plan for Improvement Area No. 1

Tracy Phase I, LLC will use the proceeds of two borrowings on the THPO Property (discussed below), proceeds of lot sales available from the Collateral Accounts (as described and defined below), and the proceeds of the 2018 Bonds, the 2019 Bonds and the 2020 Bonds to finance the planned development for Improvement Area No. 1.

First Trust Deed. Tracy Hills Holding Company is the borrower under a revolving credit facility (the "**Goldman Revolving Loan**") with Goldman Sachs Bank USA ("**Goldman**"). The Goldman Revolving Loan is secured by a first Deed of Trust on all of the THPO Property owned by THPO and the THPO Affiliates, and the available amount of the Goldman Revolving Loan is the lesser of $40,000,000 or 25% of the as-is appraised value of such THPO Property. The Goldman Revolving Loan is also guaranteed by each of the THPO Affiliates and THHC Manager.

Goldman and the Tracy Hills Holding Company have agreed that the maturity date of the Goldman Revolving Loan has been extended to September 29, 2021.

As of September 15, 2020, the Goldman Revolving Loan was in good standing and had a balance of $0 with $40,000,000 remaining.

Interest on the outstanding balance of the Goldman Revolving Loan is payable monthly, with principal due at maturity.

Under the Goldman Revolving Loan, Tracy Hills Holding Company may borrow up to $150 million in subordinated debt secured by the THPO Property for purposes of funding development costs associated with the Tracy Hills Project.

Upon an arms-length sale of a portion of the THPO Property to a non-affiliate of Tracy Hills Holding Company, Goldman will release the property being sold from the lien of the first Deed of Trust securing the Goldman Revolving Loan provided that:

- 100% of the net proceeds of the sale are placed in one or more collateral accounts (the "**Collateral Accounts**") in which Goldman has a security interest, and
- such amounts are first used to reduce the outstanding principal amount of the Goldman Revolving Loan to $20,000,000.

Funds in the Collateral Accounts that are available after reducing the outstanding loan amount to $20,000,000 may be used to (i) make scheduled amortization payments on any subordinated debt, (ii) fund the development of the Tracy Hills Project, and (iii) make distributions to the borrower under certain circumstances.

Goldman has an intercreditor agreement with Second Lien Lenders (as defined below), Tracy Hills Holding Company, THHC Manager and the THPO Affiliates.

Second Trust Deed. Tracy Hills Holding Company is also the borrower under a $120,000,000 loan facility (the "**Second Loan**"). Lenders of the Second Loan are Sequoia IDF Asset Holdings S.A., and N630AA LLC (dba Davidson Kempner of New York) (collectively, the "**Second Lien Lenders**"). The Second Loan is secured by a second lien Deed of Trust on the THPO Property owned by THPO and the THPO Affiliates, and is guaranteed by each of the THPO Affiliates and THHC Manager.

The Second Loan is set to mature on March 29, 2025, and requires (i) quarterly interest payments and (ii) quarterly principal amortization payments on the following schedule:

- On September 29, 2019 (month 24) with two quarterly payments of $2,500,000 each;

- On March 29, 2020 (month 30) the quarterly payments will be $3,928,571 until September 29, 2023; and

- On September 29, 2023 (month 72), the quarterly payments will be $8,571,429 until the maturity.

As of September 15, 2020, the Second Loan was in good standing and had a balance of $107,142,857.

Upon an arms-length sale of a portion of the THPO Property to a non-affiliate of Tracy Hills Holding Company, in connection with the release of such property from the first Deed of Trust held by Goldman, the Second Lien Lender will release the property being sold from the lien of the second Deed of Trust securing the Second Loan provided that all amortization payments on the Second Loan are in good standing and 100% of the net proceeds of the sale are placed in a collateral account (in which the Second Lien Lender has a subordinated security interest).

Funds in the Collateral Accounts may be used to (i) make scheduled amortization payments on the Second Loan, (ii) fund the development of the Tracy Hills Project, and (iii) make distributions to the borrower under certain circumstances. As of September 15, 2020, THPO had two Collateral Accounts and the combined balance in the Collateral Accounts was approximately $9,248,738.

The Merchant Builders

The information provided in this section has been included because it may be considered relevant to an informed evaluation and analysis of the 2020 Bonds and the District. No assurance can be given, however, that the proposed development of the property within Improvement Area No. 1 will occur in a

timely manner or in the configuration or to the density described herein, or that the merchant builders, any owners or affiliates thereof, or any other property owner described herein will retain ownership of its respective property within Improvement Area No. 1. Neither the 2020 Bonds nor any of the Special Taxes are personal obligations of any property owner within Improvement Area No. 1. The 2020 Bonds are secured solely by the Special Taxes levied on property within Improvement Area No. 1 and amounts on deposit in certain of the funds and accounts maintained by the Fiscal Agent under the Fiscal Agent Agreement.

Tracy Phase I, LLC has sold seven of the eight Villages to the following three homebuilders:

• Lennar Homes of California, Inc. ("**Lennar Homes**") as to Villages 1, 3, 4, 5, and 8;

• Meritage Homes of California, Inc. ("**Meritage**") as to Village 7 (other than Village 7C); and

• Shea Homes, Inc. ("**Shea**") as to Village 2.

Village 6 consists of Final Tract Map No. 3953 (Phase 6A comprising 70 lots). Village 6 formerly included Tentative Tract Map 3954 (Phase 6B comprising 66 lots); however, these lots have been subdivided into 132 lots and re-designated as Village 7C. Horizontal improvements are under construction in Village 6. No building permits for vertical construction have been requested. Village 6A is under contract to be sold to Shea Homes LP but no guarantee can be made that Village 6A will be sold to Shea Homes LP. Tracy Phase I, LLC is in negotiations with a prominent homebuilder for the sale of the lots in Village 7C, but there can be no guarantee that the homebuilder will purchase the lots.

A summary of the ownership of the Villages is shown below, as of September 15, 2020:

Village	Projected Number of Units	Owner
Village 1	158	Lennar Homes
Village 2	74	Shea
Village 3	103	Lennar Homes
Village 4	149	Lennar Homes
Village 5	196	Lennar Homes
Village 6	136 (1)	Tracy Phase I, LLC
Village 7	182 (1)	Meritage
Village 8	139	Lennar Homes
Totals	1,137 (1)	

(1) Does not reflect subdivision of lots in Village 6B and re-designation of such new lots as Village 7C, which occurred after September 15, 2020. As a result of the re-designation, Village 6 now contains 70 lots, Village 7 now contains 314 lots, and the total projected number of units is 1,203. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT – Development Plan for Improvement Area No. 1."

Source: THPO.

A summary of the current status of development within each Village is shown below, as of September 15, 2020:

Property Owner	Completed Homes [1]	Homes Under Construction	Finished Blue-Top Lots	Total Expected Residential Units
Lennar Homes				
Village 1	62	23	73	158
Village 3	51	17	35	103
Village 4	49	12	88	149
Village 5	44	14	138	196
Village 8	26	12	101	139
Subtotal	232	78	435	745
Shea				
Village 2	32	21	21	74
Meritage				
Village 7 [2]	60	32	90	182
Tracy Phase I, LLC				
Village 6 [2]	0	0	[136]	136
Total				

(1) Includes model homes and homes closed to individual homeowners.
(2) Does not reflect the subdivision of Village 6B and re-designation of Village 6B as Village 7C, as the subdivision occurred after September 15, 2020. As a result of the re-designation, Village 6 now contains 70 lots and Village 7 now contains 314 lots. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT – Development Plan for Improvement Area No. 1."
Source: THPO; Lennar Homes; Shea; and Meritage.

Lennar Homes

General. The Lennar Villages will be developed by Lennar Homes, which is based in Irvine, California, and has been in the business of developing residential real estate communities in California since 1995. Lennar Homes is wholly-owned by U.S. Home Corporation, a Delaware corporation ("**U.S. Home**"). U.S. Home is wholly-owned by Lennar Corporation. Lennar Corporation, founded in 1954 and publicly traded under the symbol "LEN" since 1971, is one of the nation's largest home builders, operating under a number of brand names, including Lennar Homes and U.S. Home. Lennar Homes primarily develops residential communities both within the Lennar family of builders and through consolidated and unconsolidated partnerships in which Lennar Homes maintains an interest. Lennar Corporation is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the internet at the SEC's website at www.sec.gov.

Copies of Lennar Corporation's Annual Report and related financial statements are available from Lennar Corporation's website at www.lennar.com.

On October 30, 2017 Lennar Corporation announced that it would acquire CalAtlantic Group Inc. ("**CalAtlantic**") for $5.7 billion in a combination of cash and stock, creating the largest home builder in

the United States by revenue. The transaction closed in February 2018. Both Lennar Corporation's (stock symbol "LEN") and CalAtlantic's (stock symbol "CAA") public filings with the Securities and Exchange Commission are accessible over the internet at the SEC's website. The acquisition of CalAtlantic by Lennar Corporation will not affect Lennar Homes' developments in Improvement Area No. 1 as described herein.

The internet addresses referenced in the three paragraphs above are included for reference purposes only and the information on these internet sites are not a part of this Official Statement and are not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on these internet sites.

Recent Litigation Against Lennar Corporation.

A lawsuit was filed in the state court of California against Lennar Corporation relating to Lennar Corporation and LandSource Communities Development, LLC, a Delaware limited liability company ("**LandSource**"), in which the California Public Employees' Retirement System ("**CalPers**") invested in 2007 ("**Complaint**"). LandSource filed for bankruptcy on June 8, 2008 ("**LandSource Bankruptcy Matter**"), and a plan for reorganization was approved by the bankruptcy court on July 20, 2009. (In re: LandSource Communities Development LLC, et al, Case No. 08-11111, United States Bankruptcy Court, District of Delaware.) The Complaint, which is filed as a qui tam action by a newly created limited liability company, makes a number of claims related to Lennar Corporation's actions regarding LandSource and the related bankruptcy and seeks injunctive relief and damages (including statutory and treble) relating to CalPers' alleged $970 million loss. Lennar Corporation filed a petition to remove the Complaint to federal court (Citizens Against Corporate Crime ("**CACC**") v. Lennar Corporation (9th Circuit, California Eastern District Court, Case No. 2:2018cv01269). Lennar Corporation also filed a Motion to Reopen the Chapter 11 Bankruptcy Cases for the Limited Purpose of Enforcing the Injunction and Release in the Debtors' Joint Chapter 11 Plan and Confirmation Order. Lennar Corporation contended that in addition to the Complaint being barred by the release and injunction in the LandSource Bankruptcy Matter, the Complaint was meritless and barred by applicable statutes of limitation and other defenses. On July 17, 2018, the Bankruptcy Court granted that motion, allowing Lennar Corporation to proceed with filing its proposed enforcement motion. After a hearing on October 25, 2018, the Bankruptcy Court granted the enforcement motion and found that CACC and its member Nicolas Marsch III ("**Marsch**") filed the Complaint in violation of the injunction and release in the Chapter 11 Plan and Confirmation Order and barred CACC, Marsch and their agents from prosecuting the Complaint. Further, the Bankruptcy Court enjoined CACC, Marsch and their agents from continuing to pursue released and enjoined claims and causes of action against Lennar Corporation in further violation of the Chapter 11 Plan and Confirmation Order. The California federal district court dismissed the Complaint by minute order issued November 16, 2018. CACC also filed a Notice of Appeal and Statement of Election with the Delaware District Court ("**District Court**") to appeal the Bankruptcy Court's November 1, 2018 order granting the enforcement motion. In January 2020, the district court issued its opinion denying CACC's request for oral argument, and rejecting each of CACC's arguments in the appeal. Later in January 2020, CACC filed a notice of appeal to the Third Circuit Court of Appeals. CACC has filed its appellant opening and reply briefs. Lennar Corporation has filed its appellee brief. The appeal remains pending

Lennar Homes was not a party to the Complaint. Lennar Homes believes that even if, in the unlikely event, the appeal and the underlying claims are successful against Lennar Corporation, Lennar Homes will be able to complete the development and sale of the Lennar Villages (as defined herein) within the District as described in this Official Statement and pay Special Taxes and ad valorem tax obligations on the Lennar Villages within the District prior to delinquency during Lennar Homes' period of ownership.

Purchase of Villages. On March 7, 2018, Tracy Phase I, LLC and Lennar Homes of California, Inc., a California corporation (previously defined as "**Lennar Homes**") entered into a Purchase and Sale

Agreement and Joint Escrow Instructions (the "**Lennar PSA**") for the purchase of Villages 1, 3, 4, and 5, and subsequently entered into an amendment to the Lennar PSA to acquire Village 8 in Improvement Area No. 1 (herein, Villages 1, 3, 4, 5, and 8 are referred to as the "**Lennar Villages**").

On September 6, 2018, Lennar Homes closed on the purchase of the Lennar Villages.

Approximately 40% of the purchase price was paid by Lennar Homes at the close of escrow, with the balance payable by a note (a "**Note**") and deed of trust held by Tracy Phase I, LLC. On July 30, 2020, the Note was paid in full and the deed of trust held by Tracy Phase I, LLC was reconveyed.

Funding In-Tract Improvements. Under the terms of the Lennar PSA, Lennar Homes is required to fund into an escrow an amount necessary to fund 100% of the allocated in-tract improvement costs for each phase upon receipt of notice from Tracy Phase I, LLC. Funds on deposit in the escrow account may be withdrawn by Tracy Phase I, LLC according to a predetermined schedule for each phase of the project. In general, for in-tract improvements made for a phase of a Village, Tracy Phase I, LLC may withdraw 35% of the funds upon commencing the trenching, an additional 20% at the end of 30 days, an additional 20% at the end of 60 days, an additional 15% at the end of 90 days, and the final 10% at substantial completion of the improvements. The release of funds for the construction of retaining walls and park improvements have different release schedules, but generally follow the trenching, 30-day, and substantial completion timeframes.

As of March 19, 2020, Lennar Homes has made the required payments to escrow (approximately $34.2 million) for the in-tract, retaining wall, and the first and second park improvements for all Phases. As of September 1, 2020, Tracy Phase I, LLC has completed the work associated with all Phases except for the second park improvements.

Buyer RGAs. In connection with the acquisition of the Lennar Villages, Lennar Homes has received an allocation from Tracy Phase I, LLC of up to 266 Buyer RGAs for use in calendar year 2018, which Lennar Homes used to request and receive 266 building permits in 2018. For 2019, Tracy Phase I, LLC allocated an additional 266 Buyer RGAs to Lennar Homes, which Lennar requested and received. Lennar Homes expects the allocation of 215 Buyer RGAs from Tracy Phase I, LLC for 2020.

Tract Map Status. The status of the tract maps for Villages 1, 3, 4, 5, and 8 are shown below:

Tract Map Status for the Lennar Villages in Improvement Area No. 1

Village	Tract Map	Projected Number of Units	Date of Recordation
Village 1			
1A	3788	63	April 11, 2018
1B	3943	50	June 28, 2018
1C	3944	45	December 28, 2018
Village 3			
3A	3889	41	April 11, 2018
3B	3945	62	June 28, 2018
Village 4			
4A	3890	56	April 11, 2018
4B	3946	48	June 28, 2018
4C	3947	45	December 28, 2018
Village 5			
5A	3891	44	April 11, 2018
5B	3948	31	June 28, 2018
5C	3949	121	May 1, 2019
Village 8			
8A	3957	71	December 28, 2018
8B	3958	68	May 17, 2019
Totals:		745	

Pursuant to the Lennar PSA, Tracy Phase I, LLC was required to post bonds and collateral with the City, and execute any applicable improvement agreements, in connection with the final approval of the tract maps for the Lennar Villages.

• For those Phases that had final maps recorded prior to acquisition by Lennar Homes (Phases 1A, 1B, 3A, 3B, 4A, 4B, 5A, and 5B, herein the "**Pre-Acquisition Phases**"), except for certain landscaping improvements, Tracy Phase I, LLC posted the bonds and collateral with the City and executed any applicable subdivision improvement agreements for such Pre-Acquisition Phases. Pursuant to the Lennar PSA, Lennar Homes is required to replace the bonding and collateral and assume the subdivision improvement agreements for those Pre-Acquisition Phases. As of September 1, 2020, Lennar Homes has made such replacements.

• For those Phases that are mapped after the closing with Lennar Homes (Phases 1C, 4C, 5C, 8A, and 8B, herein the "**Post-Acquisition Phases**"), and for certain landscaping improvements in the Pre-Acquisition Phases, when a Post-Acquisition Phase was "ready to record" or the landscape improvements were ready to proceed, Lennar Homes posted bonds and collateral with the City and executed any applicable subdivision improvement agreements.

Lennar Villages Development Plan. Provided Lennar Homes gives the proper notice to proceed and makes the required deposits for in-tract improvements (as described in "– Funding In-Tract Improvements" above), Tracy Phase I, LLC is responsible for delivering final lots to Lennar Homes. As of September 1, 2020, Tracy Phase I, LLC has delivered final lots for all of the Phases.

Details of each Lennar Village are as follows. The projected sales prices shown in the tables below are as of September 1, 2020, and may differ from the projected sales prices shown in the Absorption Study, which was based on information provided in early June 2020. Sale prices are subject

to change, are all inclusive, and exclude any incentives and selling concessions or price reductions which may be offered.

Village 1
(Tract Nos. 3788, 3954, and 3944)
(as of September 1, 2020)
55 x 90 Typical Lot Size

Floor Plan	Square Footage	Total Number of Planned Units[(1)]	Projected Sales Price
Plan 1	2,173	40	$584,880
Plan 2	2,228	40	$588,880
Plan 3	2,476	39	$608,880
Plan 4	2,654	39	$627,880
Totals		158	

(1) Lennar Homes has completed construction on 4 Village 1 model homes located in this Village.

Village 3
(Tract Nos. 3889 and 3945)
(as of September 1, 2020)
55 x 100 Typical Lot Size

Floor Plan	Square Footage	Total Number of Planned Units[(1)]	Projected Sales Price
Plan 1	2,502	27	$636,880
Plan 2	3,122	26	$666,880
Plan 3	3,266	25	$676,880
Plan 4	3,503	25	$710,880
Totals		103	

(1) Lennar Homes constructed a model home complex in Village 4 that features four Village 3 model homes. The four Village 3 model homes located in Village 4 are complete.

Village 4
(Tract Nos. 3890, 3946, 3947)
(as of September 1, 2020)
50 x 100 Typical Lot Size

Floor Plan	Square Footage	Total Number of Planned Units[(1)]	Projected Sales Price
Plan 1	2,257	36	$568,880
Plan 2	2,563	36	$569,880
Plan 3	2,749	38	$609,880
Plan 4	2,977	39	$632,880
Totals		149	

(1) Lennar Homes constructed a model home complex in Village 4 that feature four Village 3 model homes, four Village 4 model homes, and four Village 5 model homes. All such model homes are complete.

Village 5
(Tract Nos. 3891, 3948, 3949)
(as of September 1, 2020)
60 x 100 Typical Lot Size

Floor Plan	Square Footage	Total Number of Planned Units[(1)]	Projected Sales Price
Plan 1	2,683	52	$639,880
Plan 2	3,372	48	$649,880
Plan 3	3,533	48	$688,880
Plan 4	3,599	48	$699,880
Totals		196	

(1) Lennar Homes constructed a model home complex in Village 4 that features four Village 5 model homes, which are complete.

Village 8
(Tract Nos. 3957 and 3958)
(as of September 1, 2020)
65 x 100 Typical Lot Size

Floor Plan	Square Footage	Total Number of Planned Units [(1)]	Projected Sales Price
Plan 1	2,914	34	$681,880
Plan 2	3,784	35	$733,880
Plan 3	3,919	35	$726,880
Plan 4	4,100	35	$789,880
Totals		139	

(1) Lennar Homes constructed four model homes in this Village .

Status of Development. Set forth below is the status of construction of the units in each of the Villages owned by Lennar Homes, as of September 1, 2020:

Lennar Villages
Status of Development

	Village 1[4]	Village 3	Village 4	Village 5	Village 8	Total
Closed to Homeowners	57	47	43	39	19	205
Completed Unclosed Homes (including 20 models)	5	4	6	5	7	27
Under Construction[1]	23	17	12	14	12	78
Finished Blue Top Lots	73	35	88	138	101	435
Total Projected Units	158	103	149	196	139	745
Units under Contract to be Sold	10	9	10	6	3	38
Foundation-Only Building Permits Received [2]	39	11	43	45	0	138
Full Building Permits Received [3]	101	92	94	59	50	396

(1) Under construction means that a building permit has been issued and the trenching for the foundation has begun.
(2) Under the Growth Management Ordinance, a builder must have an RGA in order to apply for a building permit on or before September 30th of the year in which the builder was allocated the RGA. If such an application is not made in a timely manner, then the RGA would expire. The City considers the receipt of a foundation-only building permit as the timely receipt of a permit to prevent the expiration of an RGA.
(3) The receipt of a full building permit is also considered a timely receipt of a permit to prevent the expiration of an RGA.
(4) Two lots in Village 1 were conveyed to the City for street improvements. Previously, Lennar Homes expected to develop 160 homesites in Village 1. As a result of the conveyance, Lennar Homes now expects to develop 158 homesites in Village 1.

Lennar Homes held a soft opening on March 16, 2019, and a grand opening on April 13, 2019. As of September 1, 2020, Lennar Homes had 78 homes with vertical construction underway, with 20 model homes complete and open. As of September 1, 2020, Lennar Homes has sold and closed on 205 homes, had entered into contract for the sale of 38 additional homes.

Lennar Homes anticipates buildout of the Lennar Villages according to the following schedule:

- Village 1: September 2023 (was originally November 2023)
- Village 3: May 2022 (was originally April 2022)
- Village 4: August 2023 (was originally July 2023)
- Village 5: February 2025 (was originally November 2024)
- Village 8: June 2025 (was originally April 2023)

The anticipated buildout shown above is subject to change, and there can be no guarantee that the Lennar Villages will be developed according to that schedule.

In order for the City to extend Palmer Drive into the commercial parcel adjacent to Improvement Area No. 1, two of the residential lots in Village 1 were conveyed to the City and will no longer be developed as residential homes. As a result, Lennar Homes now expects to develop 158 homesites in Village 1.

Home Construction Financing Plan. Lennar intends to finance the development of the Lennar Villages using internal sources (equity and home sales proceeds). Through September 1, 2020, Lennar Homes has expended approximately $216,768,685 on the development of the Lennar Villages, including land acquisition, site development, home building, marketing and sales. Lennar anticipates expending an additional $169,461,141 to complete the development of the Lennar Villages. A summary of the costs incurred and anticipated are set forth in the table below:

	Total Budget	Costs Incurred Through September 1, 2020	September 2, 2020 through Buildout
Land	$128,492,000	$128,492,000	$0
Site Construction	$32,232,609	$18,957,350	$13,275,259
Direct Construction	$194,825,418	$60,681,930	$134,143,488
Sales and Marketing	$30,679,799	$8,637,405	$22,042,394
Total Projected Costs	$386,229,826	$216,768,685	$169,461,141

Although Lennar Homes expects to have sufficient funds available to complete its development in the District in accordance with the development schedule described in this Official Statement, there can be no assurance that amounts necessary to finance the remaining development costs will be available from Lennar Homes or any other source when needed. Neither Lennar Homes, nor any of its related entities are under any legal obligation of any kind to expend funds for the development of and construction of homes on its property in the District. Any contributions by Lennar Homes to fund the costs of such development are entirely voluntary.

If and to the extent that internal funding, including but not limited to home sales revenues, are inadequate to pay the costs to complete the planned development by Lennar Homes within the District and other financing by Lennar Homes is not put into place, there could be a shortfall in the funds required to complete the planned development by Lennar Homes in the District.

Meritage

General. Village 7, other than Village 7C (herein, the "**Meritage Village**") is being developed by Meritage Homes of California, Inc. (previously defined as "**Meritage**"). Meritage is a subsidiary of Meritage Homes Corporation ("**Meritage Homes**"). Meritage Homes was incorporated in 1988 as a real estate investment trust in the State of Maryland. Meritage Homes currently focuses exclusively on homebuilding and related activities and no longer operates as a real estate investment trust. The homebuilding and marketing activities are conducted under the Meritage Homes brand, except for Arizona and Texas where they also operate under the name Monterey Homes. Meritage Homes operates as a holding company and has no independent assets or operations. Meritage Homes is traded on the New York Stock Exchange under the ticker symbol MTH. The homebuilding, construction, development and sales activities are conducted through its subsidiaries. Meritage Homes is subject to the informational reporting requirements of the Securities Exchange and files reports, proxy statements and other information with the SEC. Such filings, particularly Meritage Homes Corporation's Annual Report on Form 10-K for the Fiscal Year ended December 31, 2019, and its Quarterly Report on Form 10-Q for the three months ended September 30, 2020 set forth certain data relative to the consolidated results of operations and financial position of Meritage Homes and its subsidiaries as of such dates.

The Meritage's Northern California Division has active projects in Pleasanton, Dublin, Antioch, San Juan Bautista, Hollister, Rocklin, San Leandro, Fairfield, Elk Grove, Mountain House, Roseville, Gilroy, Manteca, Hayward and Brentwood.

The shareholders of Meritage Homes do not guarantee and are not otherwise responsible for any liability of Meritage with respect to the land it is under contract to purchase, the improvements it will build and the special taxes it will be levied.

Purchase of Meritage Village. On August 30, 2018, Meritage closed escrow on the Meritage Village pursuant to a purchase and sale agreement with Tracy Phase I, LLC (the "**Meritage PSA**").

Approximately 60% of the purchase price was paid by Meritage at the close of escrow, with the balance payable by a note (the "**Meritage Note**") and deed of trust held by Tracy Phase I, LLC. The Meritage Note was paid in full on October 1, 2020 and the deed of trust reconveyed.

Buyer RGAs. In connection with the acquisition of the Meritage Village, Meritage received an allocation from Tracy Phase I, LLC of up to 68 Buyer RGAs for use in calendar year 2018, which Meritage used to request and receive 68 building permits in 2018. For 2019, Tracy Phase I, LLC allocated an additional 65 Buyer RGAs to Meritage, which Meritage used to request and receive 65 building permits in 2019. For 2020, Tracy Phase I, LLC allocated the remaining 49 Buyer RGAs to Meritage, and Meritage has requested and expects to receive permits for all 49 Buyer RGAs from the City.

Tract Map Status. The status of the tract maps for the Meritage Village is shown below:

Tract Map Status for the Meritage Village

Village	Tract Map	Projected Number of Units	Date of Recordation
Village 7			
7A	3955	91	September 6, 2018
7B	3956	91	May 15, 2019
		182	

Meritage Village Development Plan. Under the Meritage PSA, Meritage will be responsible for constructing all of the in-tract improvements for both Phases in the Meritage Village. Details of the Meritage Village are as follows.

The projected sales prices shown in the table below are subject to change and exclude any lot premiums, options, upgrades, incentives and selling concessions or price reductions that may be offered, and may differ from the projected sales prices shown in the Absorption Study, which was based on information provided in early June 2020.

Meritage Village
(Tract Nos. 3955 and 3956)
(as of September 15, 2020)
50 x 80 Typical Lot Size

Floor Plan	Square Footage	Total Number of Planned Units [1]	Projected Sales Price
Plan 1	2,155	32	$577,950
Plan 2	2,340	37	$597,950
Plan 3	2,565	39	$617,950
Plan 4	2,648	44	$627,950
Plan 5	1,729	30	$540,950
Totals		182	

(1) Meritage has completed 3 model homes in this Village.

Status of Development. Set forth below is the status of construction of the units in the Meritage Village as of September 15, 2020:

Meritage Village
Status of Development

	Meritage Village
Closed to Homeowners	59
Completed Unclosed Homes	1
Under Construction[1] (including Models)	32
Final Map Blue Top Finished Lots	90
Tentative Map Blue-Top Lots	0
Total Projected Units	182
Units under Contract to be Sold	29
Foundation-Only Building Permits Received [2]	36
Full Building Permits Received [3]	97

(1) Under construction means that a building permit has been issued and the trenching for the foundation has begun. The three model homes are complete and have received a temporary occupancy permit, but are still shown as under construction because development impact fees have not yet been paid.
(2) Under the Growth Management Ordinance, a builder must have an RGA in order to apply for a building permit on or before September 30th of the year in which the builder was allocated the RGA. In the event that such an application is not made in a timely manner, then the RGA would expire The City considers the receipt of a foundation-only building permit as the timely receipt of a permit to prevent the expiration of an RGA.
(3) The receipt of a full building permit is also considered a timely receipt of a permit to prevent the expiration of an RGA.

As of September 15, 2020, Meritage had 32 homes under construction and three model homes complete and open, had entered into contracts for the sale of 29 homes, and planned to close 25 home sales by the end of December 2020.

Meritage Village Financing Plan. Meritage has financed the cost of land acquisition, site development and home construction with respect to the Meritage Village through home sales and internally generated funds. Meritage expects to continue to use home sales and internal funding to complete the remaining site development activities and residential home construction within the Meritage Village, which are expected to cost approximately $20 million. However, home sales revenues received from the Meritage Village will not be segregated and set aside for the payment of such costs. Homes sales revenue from its projects is accumulated and used to pay the cost of Meritage's operations and for other corporate purposes, and may, at the discretion of Meritage's management, be diverted to pay costs other than the costs of completing the site development and home construction within the Meritage Village. Notwithstanding the foregoing, Meritage believes that it will have sufficient funds available to complete the site development and home construction within the Meritage Village.

Although Meritage expects to have sufficient funds available to complete site development and home construction within the Meritage Village, there can be no assurance that amounts necessary to finance such costs will be available from Meritage or any other source when needed. Neither Meritage, nor Meritage Homes, nor any of its related entities are under any legal obligation of any kind to expend funds for the completion of site development and home construction within the Meritage Village. Any contributions by Meritage Homes to fund such costs are entirely voluntary. If, and to the extent, that internal funding, including, but not limited to, home sales revenues, are inadequate to pay the costs to complete the site development and home construction, within the Meritage Village, and other financing by Meritage is not put into place, there could be a shortfall in the funds required to complete the site development and home construction by Meritage Homes within the Meritage Village.

Shea

The information provided in this section is provided as of the dates noted below and includes estimates and projections based on information available as of such dates. There are no assurances that Shea or any of its affiliated entities or shareholders will continue to own the Shea Village, pull permits or complete the development described below on the timelines described below or at all or that any costs to complete will not change substantially after the dates noted below. Sales prices, square footages and unit mix/count are subject to change at any time.

General. Village 2 (herein, the "**Shea Village**") is being developed by Shea Homes, Inc., a Delaware corporation (previously defined as "**Shea**"), which is a wholly-owned subsidiary of Shea Homes Limited Partnership ("**Shea Homes**"). Shea is a separate legally entity formed on February 11, 1992, that, from time to time, is the entity used to acquire fee title to certain projects. Shea Homes, is headquartered in Walnut, California, near Los Angeles, and is a privately held company with multiple home building divisions. Shea Homes was formed pursuant to an agreement of partnership dated January 4, 1989. The partnership agreement was most recently amended March 6, 2020, by and between J.F. Shea, G.P., a Delaware general partnership, as general partner, and Shea's limited partners, which are comprised of various entities and trusts, with ultimate beneficial ownership held by various members of the Shea family.

Today, Shea Homes operates in many states throughout the U.S., including California, Colorado, Nevada, Arizona, Washington, Virginia, North Carolina, Florida, and Texas.

The Shea Village (which is being marketed under the name "Vente at Tracy Hills") is managed locally by Shea, out of the Livermore, California, office of Shea Homes' Northern California Division. Currently Shea Homes' Northern California Division collectively has approximately 15 active residential and/or master planned communities under development throughout northern California.

Copies of Shea Homes' Annual Report and related consolidated financial statements, prepared in accordance with generally accepted accounting standards, are available from Shea Homes' website

at www.sheahomes.com. *This internet address is included for reference only, and the information on this internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on this internet site.*

Purchase of Village 2. On September 20, 2018, Shea purchased Village 2 pursuant to a purchase and sale agreement with Tracy Phase I, LLC (the "**Shea PSA**"). Shea paid the full purchase price for the Shea Village at closing.

Buyer RGAs. In connection with the acquisition of the Shea Village, Shea received an allocation from Tracy Phase I, LLC of 48 Buyer RGAs for 2018, which Shea vested by pulling 48 foundation-only building permits in 2018. For 2019, Tracy Phase I, LLC allocated 26 additional Buyer RGAs to Shea, representing the remaining Buyer RGAs necessary for the development of the Shea Village. Shea applied 3 of the 2019 RGAs to the 3 model homes and vested the remaining 23 2019 RGAs by pulling foundation-only building permits for the remaining 23 lots in the Shea Village.

Tract Map Status. The tract map for the Shea Village, Tract Map 3888, was recorded on August 23, 2018.

Shea Village Development Plan. Tracy Phase I, LLC completed the in-tract improvements in the Shea Village to a finished lot condition, and must complete parkway strip landscaping before the close of escrow on homes within the Shea Village. Shea currently anticipates constructing 74 units with varying floor plans. Additional information related to currently anticipated square footage and projected sales prices for Shea Village is as follows.

The projected sales prices shown in the table below are as of September 15, 2020, and are subject to change at any time. Projected sales prices exclude any lot premiums, options, upgrades, incentives and selling concessions or price reductions that may be offered, and may differ from the projected sales prices shown in the Absorption Study, which was based on information provided in early June 2020.

Village 2
(Tract No. 3888)
(as of September 15, 2020)
55 x 100 Typical Lot Size

Floor Plan	Square Footage	Total Number of Planned Units [(1)]	Projected Sales Price
Plan 1	2,552	20	$636,000
Plan 2	3,311	28	$690,000
Plan 3	3,451	26	$726,000
Totals		74	

(1) Shea has completed 3 model homes in the Shea Village.

Status of Development. Set forth below is the status of construction of the units in the Shea Village as of September15, 2020:

Village 2
Status of Development

	Village 2
Closed to Homeowners	29
Completed Unclosed Homes (model homes)	3
Under Construction[(1)]	21
Finished Lots	21
Total Projected Units	74
Units under Contract to be Sold	17
Foundation-Only Building Permits Received [(2)]	74
Full Building Permits Received [(3)]	54

(1) Under construction means that a building permit has been issued and the trenching for the foundation has begun.
(2) Under the Growth Management Ordinance, a builder must have an RGA in order to apply for a building permit on or before September 30th of the year in which the builder was allocated the RGA. If such an application is not made in a timely manner, then the RGA would expire. The City considers the receipt of a foundation-only building permit as the timely receipt of a permit to prevent the expiration of an RGA. Represents the number of foundation-only building permits that have not yet been converted to full building permits.
(3) The receipt of a full building permit is also considered a timely receipt of a permit to prevent the expiration of an RGA.

As of September 15, 2020, Shea had 21 homes under vertical construction and 3 model homes complete and open. As of September 15, 2020, Shea had closed 29 homes to individual homeowners and anticipates closing an additional 10 homes to individual homeowners by December 31, 2020.

Shea Village Financing Plan. Shea paid all cash for the Shea Village when it was acquired from Tracy Phase I LLC. To date, Shea has expended approximately $34.9 million toward costs of land acquisition and construction, and currently estimates total remaining costs to complete the Shea Village to be approximately $16.9 million. Shea currently anticipates funding such remaining costs with cash on hand or other available internal financing sources, including sales revenues generated from the Shea Village.

BOND OWNERS' RISKS

The purchase of the 2020 Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks which should be considered before making an investment decision. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the 2020 Bonds.

Limited Obligation of the City to Pay Debt Service

The City has no obligation to pay principal of and interest on the 2020 Bonds if Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the 2020 Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies. The City is not obligated to advance funds to pay debt service on the 2020 Bonds.

Concentration of Ownership

All of the taxable property within Improvement Area No. 1 is currently owned by the following developer entities: the master developer, Tracy Phase I, LLC (as to Village 6); and three merchant builders: Lennar Homes (as to Villages 1, 3, 4, 5, and 8), Shea (as to Village 2), and Meritage (as to Village 7). See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Value-to-Lien Ratios and Share of Special Taxes" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT – The Merchant Builders." As of the date of this Official Statement, the property owned by Lennar Homes is estimated to be responsible for approximately 69% of the projected Fiscal Year 2020-21 Special Tax levy.

The owners of property in Improvement Area No. 1 are not personally obligated to pay the Special Tax attributable to their property. Rather, the Special Tax is an obligation only against the parcel of property, secured by the amount which could be realized in a foreclosure proceeding against the property, and not by any promise of the owner to pay. If the value of the property is not sufficient, taking into account other obligations also constituting a lien against the property, the City, Fiscal Agent and owners of the 2020 Bonds have no recourse against the owner, such as filing a lawsuit to collect money.

Failure of Tracy Phase I, LLC, Lennar Homes, Shea, Meritage or any future merchant builder or future owner of significant property subject to the Special Taxes in Improvement Area No. 1 to pay installments of Special Taxes when due could cause the depletion of the 2020 Reserve Funds prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax and, consequently, result in the delinquency rate reaching a level that would cause an insufficiency in collection of the Special Tax for the City to pay debt service with respect to the 2020 Bonds.

Future Property Development

Continuing development of the parcels in Improvement Area No. 1 may be adversely affected by changes in general or local economic conditions, fluctuations in or a deterioration of the real estate market, increased construction costs, development, financing and marketing capabilities of the developer, water or electricity shortages, discovery on the undeveloped property of any plants or animals in their habitat that have been listed as endangered species, changes in laws, and other factors outside the control of the owners of land in Improvement Area No. 1. Development in Improvement Area No. 1 may also be affected by development in surrounding areas, which may compete with the property in Improvement Area No. 1.

For example, H.R. 1 of the 115th U.S. Congress, known as the "Tax Cuts and Jobs Act," was enacted into law on December 22, 2017 (Pub. L. No. 115-97 (2017)) (the "**Tax Act**"). The Tax Act makes significant changes to many aspects of the Tax Code (defined herein). For example, the Tax Act reduces the amount of mortgage interest expense and state local income tax and property tax expense that individuals may deduct from their gross income for federal income tax purposes, which could increase the cost of home ownership within Improvement Area No. 1 and could adversely affect the sale of homes by the merchant buildings in Improvement Area No. 1. However, neither the City nor the District can predict the effect that the Tax Act may have on the cost of home ownership or the price of homes in Improvement Area No. 1, the rate at which homes in Improvement Area No. 1 are sold to end users by the merchant builders, or the ability or willingness of homeowners to pay Special Taxes or property taxes.

Levy and Collection of the Special Tax

General. The principal source of payment of principal of and interest on the 2020 Bonds is the proceeds of the annual levy and collection of the Special Tax against property within Improvement Area No. 1.

Limitation on Maximum Special Tax Rate. The annual levy of the Special Tax is subject to the maximum annual Special Tax rate authorized in the Amended Rate and Method. The levy cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Special Tax, together with other available funds, will not be sufficient to pay debt service on the 2020 Bonds.

No Relationship Between Property Value and Special Tax Levy. Because the Special Tax formula set forth in the Amended Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the 2020 Bonds, and certainly not a direct relationship.

Factors that Could Lead to Special Tax Deficiencies. The following are some of the factors that might cause the levy of the Special Tax on any particular parcel of Taxable Property to vary from the Special Tax that might otherwise be expected:

Transfers to Governmental Entities. The number of parcels of Taxable Property could be reduced through the acquisition of Taxable Property by a governmental entity and failure of the government to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels. See "–Exempt Properties" below.

Property Tax Delinquencies. Failure of the owners of Taxable Property to pay property taxes (and, consequently, the Special Tax), or delays in the collection of or inability to collect the Special Tax by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Special Tax revenues. See "–Property Tax Delinquencies" below.

Delays Following Special Tax Delinquencies and Foreclosure Sales. The Fiscal Agent Agreement generally provides that the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and, except as provided in the special covenant for foreclosure described in "SECURITY FOR THE BONDS – Covenant to Foreclose" and in the Act, is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to owners of the 2020 Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the City of the proceeds of sale if the 2020 Reserve Fund is depleted. See "SECURITY FOR THE BONDS – Covenant to Foreclose."

The ability of the City to collect interest and penalties specified by State law and to foreclose against properties having delinquent Special Tax installments may be limited in certain respects with regard to properties in which a federal governmental agency has or obtains an interest. See " – FDIC/Federal Government Interests in Properties" below.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Special Taxes or the timing of enforcement of Special Taxes. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of such military service to redeem property sold to enforce the collection of a tax or assessment, and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

COVID-19

The spread of the COVID-19 coronavirus pandemic, and responses intended to slow its spread, are likely to result in negative impacts to the homebuilding operations and sales of homes within the District. There can be no assurances that the spread of the virus and the related shelter in place order and social distancing requirements currently imposed by the State, or other State or local mandates and/or other responses intended to slow its spread will not materially adversely impact the pace of sales of lots or homes or the willingness of owners of land in the District, including the Master Developer, the merchant builders or individual homeowners, to pay the Special Taxes securing the 2020 Bonds. In addition, no assurance can be given that the property tax payment dates will not be deferred in the future, which may cause a delay in the receipt of Special Tax Revenues by the City for the payment of the 2020 Bonds. Finally, stock and municipal bond markets in the U.S. and globally have seen significant volatility attributed to coronavirus concerns; there can be no assurances that these or other concerns that emerge later will not materially adversely impact the secondary market for the 2020 Bonds.

Property Tax Delinquencies

General. Delinquencies in the payment of property taxes and, consequently, the Special Taxes, can occur because the owners of delinquent parcels may not have received property tax bills from the County in a timely manner, including situations in which the County initially sent property tax bills to the property developer or merchant builder at a time when the parcels in question had already been sold to individual homeowners. Delinquencies can also reflect economic difficulties and duress by the property owner.

Numerous future delinquencies by the owners of Taxable Property in Improvement Area No. 1 in the payment of property taxes (and, consequently, the Special Taxes, which are collected on the ordinary property tax bills) when due could result in a deficiency in Special Tax revenues necessary to pay debt service on the 2020 Bonds, which could in turn result in the depletion of the 2020 Reserve Fund, prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax. In that event, there could be a delay or failure in payments of the principal of and interest on the 2020 Bonds. See "SECURITY FOR THE BONDS – 2020 Reserve Fund," and "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Potential Consequences of Special Tax Delinquencies."

Measures to Mitigate Consequences of Continuing Delinquencies. The City intends to take certain actions designed to mitigate the impact of future delinquencies, including: enforcing the lien of the Special Taxes through collection procedures that will include foreclosure actions under certain circumstances (see "SECURITY FOR THE 2020 BONDS – Covenant to Foreclose"); and increasing the levy of Special Taxes against non-delinquent property owners in Improvement Area No. 1 to the extent permitted under the Amended Rate and Method and the Act, and to the extent the Special Taxes are not already being levied at the maximum Special Tax rate. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Potential Consequences of Special Tax Delinquencies."

Limitations on Increases in Special Tax Levy. If property owners are delinquent in the payment of the Special Tax, the City may not increase Special Tax levies to make up for delinquencies for prior fiscal years above the maximum annual Special Tax rates specified in the Amended Rate and Method.

In addition, the City's ability to increase Special Tax levies on residential property to make up for delinquencies for prior Fiscal Years is limited by Section 53321(d) of the Act, which provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults.

In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2020 Bonds.

Risks Related to High Loan to Value Ratios

Once homes have been constructed in Improvement Area No. 1, future decline in home values could result in property owner unwillingness or inability to pay mortgage payments, as well as *ad valorem* property taxes and Special Taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

It is possible that laws could be enacted in the future to assist homeowners in default in the payment of mortgages and property taxes. It is further possible that federal laws could be enacted that would adversely impact the ability of the City to foreclose on parcels with delinquent Special Taxes. No assurance can be given that any such laws will be enacted, or if enacted will be effective in assisting affected homeowners.

Payment of Special Tax is not a Personal Obligation of the Property Owners

An owner of Taxable Property is not personally obligated to pay the Special Taxes. Rather, the Special Taxes are an obligation running only against the parcels of Taxable Property. If, after a default in the payment of the Special Tax and a foreclosure sale by the City, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the affected parcels of Taxable Property, the City has no recourse against the owner.

Appraised Values

The Appraisal summarized in APPENDIX C estimates the market value of the property that is currently Taxable Property within Improvement Area No. 1. This market value is merely the opinion of the Appraiser as of the date of value set forth in the Appraisal, and is subject to the assumptions and limiting conditions stated in the Appraisal. The City has not sought an updated opinion of value by the Appraiser subsequent to the date of value of the Appraisal, or an opinion of the value of the Taxable Property by any other appraiser. A different opinion of value might be rendered by a different appraiser.

The opinion of value assumes a sale by a willing seller to a willing buyer, each having similar information and neither being forced by other circumstances to sell or to buy. Consequently, the opinion is of limited use in predicting the selling price at a foreclosure sale, because the sale is forced and the buyer may not have the benefit of full information.

In addition, the opinion of value is made as of the date of value set forth in the Appraisal, based upon facts and circumstances existing as of the date of value. Differing facts and circumstances may lead to differing opinions of value. The appraised value is not evidence of future value because future facts and circumstances may differ significantly from the facts and circumstances at the time the Appraisal was prepared.

No assurance can be given that any of the taxable property in Improvement Area No. 1 could be sold for the estimated market value contained in the Appraisal if that property should become delinquent in the payment of Special Taxes and be foreclosed upon.

Property Values

The value of taxable property within Improvement Area No. 1 is a critical factor in determining the investment quality of the 2020 Bonds. If a property owner defaults in the payment of the Special Tax, the City's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land values could be adversely affected by economic and other factors beyond the City's control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood, landslides, wildfires, or other natural disasters, environmental pollution or contamination, or unfavorable economic conditions.

The following is a discussion of specific risk factors that could affect the value of property in Improvement Area No. 1.

***Natural Disasters*.** The value of the taxable property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the taxable property and the continued habitability and enjoyment of such private improvements.

The areas in and surrounding Improvement Area No. 1, like those in much of California, may be subject to unpredictable seismic activity, including earthquakes and landslides. Other natural disasters could include, without limitation, floods, landslides, wildfires, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Special Taxes, and the value of the Taxable Property may well depreciate or disappear. See "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Environmental Matters" for additional details on certain environmental matters.

With respect to droughts specifically, California has a history of suffering drought conditions periodically. In response to the most recent drought conditions, on January 17, 2014, the Governor declared a state of drought emergency, calling on Californians to conserve water, and subsequent conservation orders and regulations were imposed by the Governor and the California State Water Resources Control Board. As the result of storms in California in late 2016 and early 2017, the exceptional drought designation was removed. Notwithstanding the improved water conditions, the City cannot predict or make any representations regarding the effects that the recent drought and related conditions had or may have on the value of Taxable Property within Improvement Area No. 1, or to what extent the effects the recent drought or any future drought may have on the pace of development in Improvement Area No. 1.

Legal Requirements. Other events that may affect the value of taxable property include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The property values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any of the Taxable Property by reason of the possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. Although the City is not aware that the owner or operator of any of the Taxable Property has such a current liability with respect to any of the Taxable Property, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of Taxable Property that is realizable upon a delinquency.

For particular environmental matters that may impact the value of land within Improvement Area No. 1, including the presence of a petroleum pipeline, which is unpressurized, within Improvement Area No. 1 and the District's proximity to Site 300, see "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Environmental Matters."

Other Possible Claims Upon the Value of Taxable Property

While the Special Taxes are secured by the taxable property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The tables in the sections entitled "THE DISTRICT AND IMPROVEMENT AREA NO. 1 – Direct and Overlapping Governmental Obligations" and "– Illustrative Tax Bill," show the presently outstanding amount of governmental obligations, the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property. The tables do not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the 2020 Bonds.

The principal of and interest on the 2020 Bonds are payable from the Special Tax authorized to be collected within Improvement Area No. 1, and payment of the Special Tax is secured by a lien on taxable real property within Improvement Area No. 1. Such lien is co-equal to and independent of the lien for general taxes and any other liens imposed under the Act, regardless of when they are imposed on the property in Improvement Area No. 1. The imposition of additional special taxes, assessments and general property taxes will increase the amount of independent and co-equal liens which must be satisfied in foreclosure if unpaid. The City, the County and certain other public agencies are authorized by the Act to form other community facilities districts and improvement areas and, under other provisions of State law, to form special assessment districts, either or both of which could include all or a portion of the land within Improvement Area No. 1. Finally, although the Special Taxes will generally have priority over non-governmental liens on a parcel of property in Improvement Area No. 1, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See "BOND OWNERS' RISKS– Bankruptcy Delays" below.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Amended Rate and Method and the Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within Improvement Area No. 1 acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. See "SECURITY FOR THE BONDS – Amended Rate and Method."

In addition, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

FDIC/Federal Government Interests in Properties

General. The ability of the City to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the FDIC, the Federal National Mortgage Association, the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding."

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the City wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("**FNMA**") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The City has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the 2020 Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within Improvement Area No. 1 is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the City to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "**Policy Statement**") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit has issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes.

The City is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within Improvement Area No. 1 in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the 2020 Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the 2020 Bonds.

Depletion of 2020 Reserve Fund

The 2020 Reserve Fund is to be maintained at an amount equal to the Reserve Requirement for the 2020 Bonds. See "SECURITY FOR THE BONDS – 2020 Reserve Fund." The 2020 Reserve Fund will be used to pay principal of and interest on the 2020 Bonds (and any Related Parity Bonds) if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within Improvement Area No. 1. If the 2020 Reserve Fund is depleted, it can be replenished from the proceeds of the levy and collection of the Special Taxes that exceed the amounts to be paid to the owners of the 2020 Bonds (and any Related Parity Bonds) under the Fiscal Agent Agreement. However, because the Special Tax levy is limited to the maximum annual Special Tax rates, it is possible that no replenishment would be possible if the Special Tax proceeds, together with other available funds, remain insufficient to pay all such amounts. Thus, it is possible that the 2020 Reserve Fund will be depleted and not be replenished by the levy and collection of the Special Taxes.

Bankruptcy Delays

The payment of the Special Tax and the ability of the City to foreclose the lien of a delinquent unpaid Special Tax, as discussed in "SECURITY FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2020 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2020 Bonds.

In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or

default in payment of the principal of and interest on the 2020 Bonds and the possibility of delinquent Special Taxes not being paid in full.

The chances are increased that the 2020 Reserve Fund established for the 2020 Bonds could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the 2020 Reserve Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the 2020 Bonds on a timely basis.

Cyber Security

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City or the District, or the administration of the 2020 Bonds. The City is also reliant on other entities and service providers in connection with the administration of the 2020 Bonds, including without limitation the County tax collector for the levy and collection of Special Taxes, the Fiscal Agent, and the Dissemination Agent. No assurance can be given that the City, the District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Disclosure to Future Purchasers

The City has recorded a notice of the Special Tax lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land or a home in Improvement Area No. 1 or the lending of money secured by property in Improvement Area No. 1. The Act requires the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

No Acceleration Provisions

The 2020 Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the 2020 Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bondholder is given the right for the equal benefit and protection of all Bondowners similarly situated to pursue certain remedies. See "APPENDIX E – Summary of Certain Provisions of the Fiscal Agent Agreement." So long as the 2020 Bonds are in book-entry form, DTC will be the sole bondholder and will be entitled to exercise all rights and remedies of bondholders.

Impact of Certain Events on Tax Exemption

As discussed under the caption "TAX MATTERS," interest on the 2020 Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the 2020 Bonds were issued as a result of future acts or omissions of the City in violation of its covenants in the Fiscal

Agent Agreement. The Fiscal Agent Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the 2020 Bonds were to become includable in gross income for purposes of federal income taxation, the 2020 Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional or mandatory redemption or redemption upon prepayment of the Special Taxes. See "THE 2020 BONDS – Redemption."

Future legislative proposals, if enacted into law, clarification of the Tax Code (defined herein) or court decisions may cause interest on the 2020 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Bondowners from realizing the full current benefit of the tax status of such interest.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the "**IRS**") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2020 Bonds will be selected for audit by the IRS. It is also possible that the market value of such 2020 Bonds might be affected as a result of such an audit of such 2020 Bonds (or by an audit of similar bonds or securities).

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the City. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2020 Bonds.

Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIIIC and XIIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act". Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIIIA and XIIIC of the State Constitution. The amendments to Article XIIIA limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes ("special taxes") require a two-thirds vote.

The Special Taxes and the 2020 Bonds were each authorized by not less than a two-thirds vote of the landowners within Improvement Area No. 1 who constituted the qualified electors at the time of such voted authorization. The City believes, therefore, that issuance of the 2020 Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the City and its obligations can be determined. Certain provisions

of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

For example, in August 2014, in *City of San Diego. v. Melvin Shapiro*, an Appellate Court invalidated an election held by the City of San Diego to authorize the levying of special taxes on hotels city-wide pursuant to a city charter ordinance creating a convention center facilities district which specifically defined the electorate to consist solely of (1) the owners of real property in the city on which a hotel is located, and (2) the lessees of real property owned by a governmental entity on which a hotel is located. The court held that such landowners and lessees are neither "qualified electors" of the city for purposes of Articles XIII A, Section 4 of the California Constitution, nor a proper "electorate" under Article XIIIC, Section 2(d) of the California Constitution. The court specifically noted that the decision did not require the Court to consider the distinct question of whether landowner voting to impose special taxes under Section 53326(b) of the Act (which was the nature of the voter approval through which the District and Improvement Area No. 1 were formed) violates the California Constitution in districts that lack sufficient registered voters to conduct an election among registered voters. Accordingly, this case should have no effect on the levy of the Special Taxes by the City.

The City cannot predict the ultimate outcome or effect of any such judicial scrutiny, legislative actions, or future initiatives. These initiatives, and any future initiatives, may affect the collection of fees, taxes and other types of revenue by local agencies such as the City. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2020 Bonds.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the 2020 Bonds or, if a secondary market exists, that any 2020 Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the 2020 Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the 2020 Bonds for audit examination, or the course or result of any Internal Revenue Service audit or examination of the 2020 Bonds or obligations that present similar tax issues as the 2020 Bonds.

LEGAL MATTERS

Legal Opinions

The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, approving the validity of the 2020 Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as APPENDIX F.

Jones Hall, A Professional Law Corporation, San Francisco, California, has served as Bond Counsel and Disclosure Counsel to the City. Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, is serving as counsel to the Underwriter.

No Litigation

At the time of delivery of the 2020 Bonds, the City will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the City has been served with process or threatened, which:

- in any way questions the powers of the City Council, City or District (including Improvement Area No. 1 therein), or

- in any way questions the validity of any proceeding taken by the City Council in connection with the issuance of the 2020 Bonds, or

- wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the purchase contract with respect to the 2020 Bonds, or

- which, in any way, could adversely affect the validity or enforceability of the resolutions of the City Council adopted in connection with the formation of the District and Improvement Area No.1 or the issuance of the 2020 Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Certificate or the purchase contract with respect to the 2020 Bonds, or

- to the knowledge of the City, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the 2020 Bonds for federal income tax purposes, or

- in any other way questions the status of the 2020 Bonds under State tax laws or regulations.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2020 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the 2020 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2020 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2020 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2020 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2020 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2020 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2020 Bonds who purchase the 2020 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2020 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2020 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such 2020 Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the 2020 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2020 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2020 Bond is amortized each year over the term to maturity of the 2020 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2020 Bond premium is not deductible for federal income tax purposes. Owners of premium 2020 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2020 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2020 Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2020 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2020 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2020 Bonds, or as to the consequences of owning or receiving interest on the 2020 Bonds, as of any future date. Prospective purchasers of the 2020 Bonds should consult their own tax advisors

regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2020 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2020 Bonds, the ownership, sale or disposition of the 2020 Bonds, or the amount, accrual or receipt of interest on the 2020 Bonds.

CONTINUING DISCLOSURE

City Continuing Disclosure. The City will covenant for the benefit of owners of the 2020 Bonds to provide certain financial information and operating data relating to Improvement Area No. 1 and the 2020 Bonds by not later than nine months after the end of the City's fiscal year (currently March 31 based on the City's fiscal year end of June 30) (the "**Annual Report**") and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events is set forth in APPENDIX G.

The City, on its own behalf and on behalf of related entities, has entered into a number of prior continuing disclosure undertakings under the Rule in connection with the issuance of long-term obligations, and has provided annual financial information and event notices in accordance with those undertakings. During the past five years, the City or its related entities have failed to comply with prior undertakings as follows:

- The audited financial statements for Fiscal Years 2014-15, 2015-16, 2016-17 and 2017-18 were filed up to approximately 27 months late; and

- Certain operating and financial data for Fiscal Years 2014-15 and 2016-17 were filed up to approximately 3 months late.

- Certain information was omitted from the operating and financial data for filed Fiscal Years 2014-15, 2016-17 and 2017-18 because it was unavailable at the time the filing was due, but that information was subsequently filed when it became available.

Lennar Homes Continuing Disclosure. Lennar Homes will covenant in a continuing disclosure certificate, the form of which is set forth in APPENDIX H (the "**Property Owner Continuing Disclosure Certificate**"), for the benefit of holders and beneficial owners of the 2020 Bonds, to provide certain information relating to itself and the status of its property within Improvement Area No. 1 on a semi-annual basis, beginning on March 31, 2021, and to provide notices of the occurrence of certain enumerated events. Lennar Homes is not an obligated person as defined under the Rule.

The obligations of Lennar Homes under its Property Owner Continuing Disclosure Certificate will terminate when Lennar Homes owns less than 185 residential lots (or property that will be subdivided into less than 185 residential lots) in Improvement Area No. 1.

Other than set forth in the next two sentences, Lennar Homes represents that, to the actual knowledge of Lennar Homes, Lennar Homes has not failed in any material respect to comply with any previous undertaking by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California within the past five years.

In connection with a continuing disclosure obligation entered into with respect to the $12,850,000 County of El Dorado District No. 2014-1 (Carson Creek) Special Tax Bonds Series 2016, Lennar Homes was late in filing the periodic reports due on April 1, 2017 and October 1, 2017. The oversight was discovered in late January, 2018, and Lennar Homes promptly filed a curative report on February 1, 2018.

Tracy Phase I, LLC Continuing Disclosure. Tracy Phase I, LLC will covenant in a continuing disclosure certificate, the form of which is set forth in APPENDIX H (the "**Property Owner Continuing Disclosure Certificate**"), for the benefit of holders and beneficial owners of the 2020 Bonds, to provide certain information relating to itself and the status of its property within Improvement Area No. 1 on a semi-annual basis, beginning on March 31, 2021, and to provide notices of the occurrence of certain enumerated events. Tracy Phase I, LLC is not an obligated person as defined under the Rule.

The obligations of Tracy Phase I, LLC under its Property Owner Continuing Disclosure Certificate will terminate when (A) Tracy Phase I, LLC owns less than 185 residential lots (or property that will be subdivided into less than 185 residential lots) in Improvement Area No. 1 and (B) 90% of the Construction Costs shown in Table 6 (currently $87,977,807) are completed.

Tracy Phase I, LLC represents that, to the actual knowledge of Tracy Phase I, LLC, Tracy Phase I, LLC has not failed in any material respect to comply with any previous undertaking by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts in California within the past five years.

NO RATING

The City has not obtained a credit rating on the 2020 Bonds. Nothing should be assumed from any credit rating that the City may obtain for other purposes. Prospective purchasers of the 2020 Bonds are required to make independent determinations as to the credit quality of the 2020 Bonds and their appropriateness as an investment.

UNDERWRITING

The 2020 Bonds are being purchased by Piper Sandler & Co. (the "**Underwriter**"), at a purchase price of $_____ (which represents the aggregate principal amount of the 2020 Bonds ($_____), plus an original issue premium/less an original issue discount of $_____, less an Underwriter's discount of $_____).

The purchase agreement relating to the 2020 Bonds provides that the Underwriter will purchase all of the 2020 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the 2020 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

PROFESSIONAL FEES

In connection with the issuance of the 2020 Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the 2020 Bonds. Those professionals include:

- the Underwriter;
- Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel;
- Stradling Yocca Carlson & Rauth, A Professional Corporation, as Underwriter's Counsel;
- A portion of the fees of CSG Advisors Incorporated, as municipal advisor;
- A portion of the fees of Goodwin Consulting Group, Inc., as special tax consultant; and
- U.S. Bank National Association, as Fiscal Agent.

EXECUTION

The execution and delivery of the Official Statement has been duly authorized by the City Council, acting as the legislative body of the District.

CITY OF TRACY

By: _____
Finance Director

APPENDIX A

GENERAL INFORMATION ABOUT THE CITY OF TRACY AND SAN JOAQUIN COUNTY

*The following information concerning the City of Tracy (the "**City**") and San Joaquin County (the "**County**") are included only for the purpose of supplying general information regarding the community. The 2020 Bonds are not a debt of the City, the County, the State of California (the "**State**") or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

Population

Population figures for the City, the County and the State for the last seven years are shown in the following table.

CITY OF TRACY, SAN JOAQUIN COUNTY AND THE STATE OF CALIFORNIA
Population Estimates
Calendar Years 2014 through 2020 as of January 1

Calendar Year	City of Tracy	San Joaquin County	State of California
2014	86,063	711,119	38,556,731
2015	87,202	722,627	38,870,150
2016	88,760	734,091	39,131,307
2017	90,566	745,481	39,398,702
2018	92,631	753,934	39,586,646
2019	94,586	765,556	39,695,376
2020	95,931	773,632	39,782,870

Source: State Department of Finance estimates.

Employment and Industry

The District is included in the Stockton Metropolitan Statistical Area ("**MSA**"), which includes all of San Joaquin County. The unemployment rate in the County was 14.8% in July 2020, down from a revised 15.8% in June 2020, and above the year-ago estimate of 6.2%. This compares with an unadjusted unemployment rate of 13.7% for the State and 10.5% for the nation during the same period.

Set forth below is data from calendar years 2015 to 2019 reflecting the County's civilian labor force, employment and unemployment. These figures are county-wide statistics and may not necessarily accurately reflect employment trends in the District.

STOCKTON-LODI MSA
(San Joaquin County)
Annual Average Labor Force and Employment by Industry
Calendar Years 2015 through 2019
(March 2019 Benchmark)

	2015	2016	2017	2018	2019
Civilian Labor Force [1]	314,300	318,200	323,300	324,500	327,100
Employment	286,400	292,400	300,700	304,600	307,900
Unemployment	27,900	25,900	22,600	19,900	19,200
Unemployment Rate	8.9%	8.1%	7.0%	6.1%	5.9%
Wage and Salary Employment: [2]					
Agriculture	16,700	16,600	16,300	15,600	14,800
Mining and Logging	100	100	100	100	100
Construction	10,100	11,100	11,700	12,800	13,100
Manufacturing	18,700	18,900	19,400	19,600	19,500
Wholesale Trade	11,300	11,600	12,000	12,600	12,700
Retail Trade	26,000	26,500	26,800	26,700	26,100
Transportation, Warehousing and Utilities	20,400	23,600	26,700	28,200	31,100
Information	1,900	2,000	1,800	1,800	1,700
Financial Activities	7,400	7,500	7,800	7,800	8,000
Professional and Business Services	19,400	19,600	19,200	19,600	19,900
Educational and Health Services	36,500	36,400	38,200	38,800	39,200
Leisure and Hospitality	19,700	20,500	21,500	22,100	22,600
Other Services	7,200	7,500	7,600	7,600	7,800
Federal Government	3,000	3,000	3,100	3,100	3,200
State Government	6,200	6,400	6,600	6,700	6,800
Local Government	30,400	31,400	32,800	33,700	34,900
Total All Industries [3]	234,900	242,600	251,600	256,700	261,400

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

The following table lists the major employers within the County, listed in alphabetical order without regard to the number of employees, as of September 2020.

SAN JOAQUIN COUNTY
Major Employers
As of September 2020

Employer Name	Location	Industry
A Sambado & Sons Inc	Linden	Nuts-Edible
Amazon Corpnet	Tracy	Internet & Catalog Shopping
Amazon Fulfillment Ctr	Stockton	Mail Order Fulfillment Service
Blue Shield of California	Lodi	Insurance
Dameron Hospital Assn	Stockton	Hospitals
Deuel Vocational Institution	Tracy	City Govt-Correctional Institutions
Foster Care Svc	Stockton	Government Offices-County
Leprino Foods Co	Tracy	Cheese Processors (mfrs)
Lodi Health Home Health Agency	Lodi	Home Health Service
Lodi Memorial Hospital	Lodi	Hospitals
M & R Co	Lodi	Fruits & Vegetables-Growers & Shippers
Morada Produce	Stockton	Fruits & Vegetables-Growers & Shippers
NA Chaderjian Youth	Stockton	State Govt-Correctional Institutions
Pacific Coast Producers	Lodi	Canning (mfrs)
Prima Frutta Packing Inc	Linden	Fruit & Produce Packers
Safeway Distribution Ctr	Tracy	Distribution Centers (whls)
San Joaquin County Human Svc	Stockton	Government Offices-County
San Joaquin County Sch	Stockton	School Districts
San Joaquin General Hospital	French Camp	Hospitals
San Joaquin Sheriff's Office	French Camp	Government Offices-County
Sjgov	Stockton	Government Offices-County
St Joseph's Cancer Ctr	Stockton	Cancer Treatment Centers
Stockton Police Dept	Stockton	Police Departments
Stockton Unified School Dist	Stockton	School Districts
Walmart Supercenter	Stockton	Department Stores

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2020 1st Edition.

The following table lists the twenty principal employers within the City, by number of employees, as of June 30, 2019.

CITY OF TRACY
Principal Employers
As of June 30, 2019

Employer Name	Number of Employees
Amazon.com	4,589
Amazon.com	997
FedEx Ground Package System, Inc	718
The Home Depot #5641	505
Restoration Hardware #903	374
XPO Logistics Supply Chain, Inc.	350
Orchard Supply Company	303
Randstad Inhouse Services LLC	264
DHL Supply Chain	250
Select Staffing	240
Randstad Inhouse Service LP	208
Costco Wholesale #658	205
Ross Dress for Less Inc #1389	193
Pacific Medical Inc	191
International Paper	190
Olive Garden #1582	186
Randstad Inhouse Services LP	186
The Home Depot #1020	182
Walmart #2025	175
DHL Supply Chain	168
Orchard Supply Company LLC	167
Taylor Farms Pacifica Inc	159
YRC	156
Safeway Inc #2600	151
Target Stores T738	136

Source: City of Tracy Comprehensive Financial Report for fiscal year ended June 30, 2019.

Commercial Activity

Summaries of historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables.

Total taxable sales during the first quarter of calendar year 2020 in the City were $615,761,900, a 2.86% increase over the total taxable sales of $598,649,268 reported during the first quarter of calendar year 2019.

CITY OF TRACY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015[(1)]	1,057	$1,233,481	1,641	$1,421,064
2016	1,088	1,280,961	1,715	1,536,172
2017	1,150	1,371,679	1,803	2,042,411
2018	1,192	1,489,764	1,921	2,319,543
2019	1,224	1,472,148	2,000	2,692,497

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.
Source: State Department of Tax and Fee Administration.

Total taxable sales during the first quarter of calendar year 2020 in the County were $3,155,624,415, a 0.72% decrease over the total taxable sales of $3,178,607,894 reported during the first quarter of calendar year 2019.

SAN JOAQUIN COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015[(1)]	4,958	$6,986,878	14,255	$10,467,214
2016	9,480	7,380,226	14,682	10,922,271
2017	9,506	7,994,473	14,758	12,153,268
2018	9,660	8,855,169	15,437	13,457,721
2019	9,978	9,058,063	16,144	14,311,068

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.
Source: State Department of Tax and Fee Administration.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the median household effective buying income for the City, the County, the State and the United States for the period 2016 through 2020.

CITY OF TRACY AND SAN JOAQUIN COUNTY
Median Household Effective Buying Income
2016 through 2020

	2016	2017	2018	2019	2020
City of Tracy	$64,225	$65,371	$68,295	$73,172	$76,142
San Joaquin County	46,491	48,149	49,883	55,534	58,141
California	53,589	55,681	59,646	62,637	65,870
United States	46,738	48,043	50,735	52,841	55,303

Source: The Nielsen Company (US), Inc for years 2016 through 2018; Claritas, LLC for 2019 and 2020.

Building Activity

The tables below summarize building activity in the City and the County for the past five available years.

CITY OF TRACY
Building Permit Activity
For Calendar Years 2015 through 2019
(Dollars in Thousands)

	2015	2016	2017	2018	2019
Permit Valuation					
New Single-family	$62,319.4	$87,820.2	$98,767.2	$214,928.9	$223,795.2
New Multi-family	0.0	34,038.7	9,686.4	84,832.3	0.0
Res. Alterations/Additions	5,381.8	2,281.9	2,982.3	6,058.5	9,178.8
Total Residential	$67,701.2	$124,140.8	$111,435.9	$305,819.7	232,974.0
New Commercial	$113,546.0	$92,124.7	$184,438.3	$331,633.7	$189,205.1
New Industrial	49,162.0	57,441.7	38,978.1	74,814.4	13,881.6
New Other	12,340.6	11,375.8	4,769.2	8,265.5	7,006.5
Com. Alterations/Additions	127,941.0	138,604.1	93,059.7	60,479.7	60,676.8
Total Nonresidential	$302,989.6	$299,546.3	$321,245.3	$475,193.3	$270,770.0
New Dwelling Units					
Single Family	183	216	236	534	551
Multiple Family	0	432	65	507	0
TOTAL	183	648	301	1,041	551

Source: Construction Industry Research Board, Building Permit Summary.

SAN JOAQUIN COUNTY
Building Permit Activity
For Calendar Years 2015 through 2019
(Dollars in Thousands)

	2015	2016	2017	2018	2019
Permit Valuation					
New Single-family	$455,877.1	$467,494.7	$652,308.1	$883,071.1	$843,700.9
New Multi-family	48,792.9	66,794.5	62,635.8	99,601.4	57,271.1
Res. Alterations/Additions	42,764.8	99,049.9	86,516.1	95,073.4	98,681.9
Total Residential	$547,434.8	$633,339.1	$804,460.0	$1,077,745.9	$999,653.9
New Commercial	$177,272.0	$205,510.1	$357,856.9	$498,359.0	$380,383.3
New Industrial	85,322.6	61,687.0	179,728.4	240,073.7	120,003.8
New Other	44,373.1	42,074.7	27,794.7	31,904.4	61,991.7
Com. Alterations/Additions	193,659.3	298,721.9	269,172.8	249,142.4	363,840.9
Total Nonresidential	$500,627.0	$607,993.7	$834,552.8	$1,019,479.5	$926,219.7
New Dwelling Units					
Single Family	1,698	1,754	2,078	2,765	2,564
Multiple Family	387	550	516	593	461
TOTAL	2,085	2,304	2,594	3,358	3,025

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX B

AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
FOR
IMPROVEMENT AREA NO. 1
OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1
(TRACY HILLS)

APPENDIX C

APPRAISAL REPORT

APPENDIX D

MARKET ABSORPTION STUDY

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

APPENDIX G

FORM OF ISSUER CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

$_____
IMPROVEMENT AREA NO. 1
OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the City of Tracy (the "**City**") in connection with the issuance of the bonds captioned above (the "**2020 Bonds**"). The 2020 Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of August 1, 2018, as supplemented by a First Supplement to Fiscal Agent Agreement dated as of August 1, 2019, and as supplemented by a Second Supplement to Fiscal Agent Agreement dated as of November 1, 2020 (as supplemented, the "**Fiscal Agent Agreement**"), by and between the City and U.S. Bank National Association, as fiscal agent (the "**Fiscal Agent**"). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the 2020 Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently March 31 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" means Goodwin Consulting Group, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*District*" means the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills).

"*Improvement Area No. 1*" means Improvement Area No. 1 of the District.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement dated _____, 2020, executed by the District in connection with the issuance of the 2020 Bonds.

"*Participating Underwriter*" means Piper Sandler & Co., the original underwriter of the 2020 Bonds required to comply with the Rule in connection with offering of the 2020 Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2021, with the report for the 2019-20 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the City does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice to the MSRB, in a timely manner, in an electronic format as prescribed by the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following documents and information:

(a) The City's audited financial statements for the most recently completed fiscal year, prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, together with the following statement:

THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE CITY, OTHER THAN SPECIAL TAX REVENUES, ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE 2020 BONDS, AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES.

INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE 2020 BONDS.

If the City's audited financial statements are not available by the time the Annual Report is required to be filed, the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements, the following information:

(i) Total assessed value (per the San Joaquin County Assessor's records) of all parcels currently subject to the Special Tax within Improvement Area No. 1, showing the total secured assessed valuation for all property subject to the Special Tax.

(ii) Tables showing (1) the top 10 Special Tax payers within Improvement Area No. 1 for the most recently completed Fiscal Year, including for each Special Tax payer the maximum annual Special Tax, actual Special Tax levy, assessed value and assessed value-to-lien ratio, and (2) assessed value-to-lien ratios for Developed Property owned by individual homeowners in the aggregate (based on assessed values (per the San Joaquin County Assessor's records)), Developed Property owned by developers/merchant builders, and Undeveloped Property (as those terms are defined in the rate and method of apportionment for the District).

(iii) The amount of prepayments of the Special Tax for the prior Fiscal Year.

(iv) A table showing a history of special tax collections and delinquencies within Improvement Area No. 1.

(v) Any change to the County's Teeter Plan affecting Improvement Area No. 1.

(vi) The principal amount of the 2020 Bonds outstanding and the balance in the 2020 Reserve Fund (along with a statement of the 2020 Reserve Requirement) as of the September 30 next preceding the Annual Report Date, including the issuance date and principal amount of any additional bonds or obligations issued under the Fiscal Agent Agreement on a parity with the 2020 Bonds.

(vii) Any changes to the Amended and Restated Rate and Method of Apportionment of Special Tax for Improvement Area No. 1.

(c) In addition to any of the information expressly required to be provided under paragraph (b) above, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2020 Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2020 Bonds, or other material events affecting the tax status of the 2020 Bonds.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the City.

(13) The consummation of a merger, consolidation, or acquisition involving the City, or the sale of all or substantially all of the assets of the City (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional Fiscal Agent or the change of name of the Fiscal Agent, if material.

(15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material.

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected bonds under the Fiscal Agent Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the 2020 Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Upon occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City 's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2020 Bonds. If such termination occurs prior to the final maturity of the 2020 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the 2020 Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2020 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the 2020 Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of the Fiscal Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the 2020 Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the 2020 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees

to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Property Owner, the Fiscal Agent, the 2020 Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2020 Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the 2020 Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2020

CITY OF TRACY

By: _____
Karin Schnaider,
Finance Director

AGREED AND ACCEPTED:
Goodwin Consulting Group, Inc.,
as Dissemination Agent

By: _____
Name: _____
Title: _____

APPENDIX H

FORMS OF PROPERTY OWNER DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE
(Lennar Homes)

$_____
IMPROVEMENT AREA NO. 1
OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

Dated: _____, 2020

This Continuing Disclosure Certificate (Property Owner) (this "Disclosure Certificate") is executed and delivered by Lennar Homes of California, Inc., a California corporation (the "Property Owner"), in connection with the issuance by the City of Tracy (the "City") of the bonds captioned above (the "2020 Bonds"). The 2020 Bonds are being issued under a Fiscal Agent Agreement dated as of August 1, 2018, as supplemented by a First Supplement to Fiscal Agent Agreement dated as of August 1, 2019, and as supplemented by a Second Supplement to Fiscal Agent Agreement dated as of November 1, 2020 (as supplemented, the "Fiscal Agent Agreement"), by and between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"). The Property Owner covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Property Owner for the benefit of the holders and beneficial owners of the 2020 Bonds.

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Affiliate*" means any person presently directly (or indirectly through one or more intermediaries) under managerial control of the Property Owner, and about whom information could be material to potential investors in their investment decision regarding the 2020 Bonds (including without limitation information relevant to the proposed development of the Property or to the Property Owner's ability to pay the Special Taxes levied on the Property prior to delinquency).

"Assumption Agreement" means an undertaking of a Major Owner, for the benefit of the holders and beneficial owners of the 2020 Bonds, containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner's development and financing plans with respect to the District), whereby such Major Owner agrees to provide semi-annual reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in Improvement Area No. 1 owned by such Major Owner and agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 12 hereof.

"*Dissemination Agent*" means Goodwin Consulting Group, Inc., or any successor Dissemination Agent designated in writing by the Property Owner, with the written consent of the City, and which has

filed with the Property Owner and the City a written acceptance of such designation, and which is experienced in providing dissemination agent services such as those required under this Disclosure Certificate.

"*District*" means the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills).

"*Improvement Area No. 1*" means Improvement Area No. 1 of the District.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*Major Owner*" means, as of any Report Date, a Person that, together with the Person's Affiliates, owns 185 or more residential lots (or property intended to be subdivided into 185 or more residential lots) in Improvement Area No. 1.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information.

"*Official Statement*" means the final Official Statement dated _____, 2020, executed by the City in connection with the issuance of the 2020 Bonds.

"*Participating Underwriter*" means Piper Sandler & Co., the original underwriter of the 2020 Bonds.

"*Person*" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"*Property*" means (i) the property owned by the Property Owner in Improvement Area No. 1 as of the Report Date, and (ii) the property in Improvement Area No. 1 that the Property Owner sold to a Major Owner who has not assumed the undertakings of this Disclosure Certificate under Section 7(b) that is owned by such Major Owner.

"*Report Date*" means (a) September 30 of each year, and (b) March 31 of each year.

"*Semi-Annual Report*" means any Semi-Annual Report provided by the Property Owner pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Special Taxes"* means the special taxes for facilities levied by the City on the Property.

Section 3. Provision of Semi-Annual Reports.

(a) The Property Owner shall, or upon written direction of the Property Owner the Dissemination Agent shall, not later than the Report Date, commencing March 31, 2021, provide to the MSRB, in an electronic format as prescribed by the MSRB, a Semi-Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Property Owner shall provide the Semi-Annual Report to the Dissemination Agent (if different from the Property Owner). The Property Owner shall provide a written certification with (or included as a part of) each Semi-Annual Report furnished to the Dissemination Agent (if different from the Property Owner), Participating Underwriter and the City to the effect that such Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Participating Underwriter and the City may conclusively rely upon such certification of the Property Owner and shall

have no duty or obligation to review the Semi-Annual Report. The Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent does not receive a Semi-Annual Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Property Owner that the Semi-Annual Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Property Owner to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 7 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Property Owner does not provide, or cause the Dissemination Agent to provide, a Semi-Annual Report to the MSRB by the Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice to the MSRB, in an electronic format as prescribed by the MSRB.

(c) The Dissemination Agent shall:

(i) determine prior to each Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of continuing disclosure reports; and;

(ii) to the extent the Semi-Annual Report has been furnished to it, file a report with the Property Owner (if the Dissemination Agent is other than the Property Owner), the City and the Participating Underwriter certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Semi-Annual Reports. The Property Owner's Semi-Annual Report shall contain or incorporate by reference the information set forth in Exhibit A, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Property Owner or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Property Owner shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit A, each Semi-Annual Report shall include such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) So long as the Property Owner's obligations under this Disclosure Certificate have not been terminated pursuant to Section 7 herein, the Property Owner shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Property Owner and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Property Owner;

(ii) failure to pay any taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property prior to the delinquency date, to the extent such failure is not promptly cured by the Property Owner upon discovery thereof;

(iii) filing of a lawsuit against the Property Owner or, if known, an Affiliate of the Property Owner, seeking damages which, if successful, could have a material and adverse impact on the Property Owner's ability to pay Special Taxes prior to delinquency or to sell or develop the Property;

(iv) material damage to or destruction of any of the improvements on the Property; and

(v) any payment default or other material default by the Property Owner that continues to exist beyond any applicable notice and cure periods on any loan with respect to the construction of improvements on the Property.

(b) Whenever the Property Owner obtains knowledge of the occurrence of a Listed Event, the Property Owner shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Property Owner determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Property Owner shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the City and the Participating Underwriter.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Duration of Reporting Obligation.

(a) All of the Property Owner's obligations hereunder shall commence on the date hereof and shall terminate (except as provided in Section 12) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the 2020 Bonds, or

(ii) when the Property owned by the Property Owner is fewer than 185 residential lots (or property that will be subdivided into fewer than 185 residential lots), or

(iii) the date on which the Property Owner prepays in full all of the Special Taxes attributable to the Property.

The Property Owner shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) If a portion of the Property is conveyed to a person or entity that, upon such conveyance, will be a Major Owner, the obligations of the Property Owner hereunder with respect to the property conveyed to such Major Owner may be assumed by such Major Owner and the Property Owner's obligations hereunder with respect to the property conveyed will be terminated. In order to effect such assumption, such Major Owner shall enter into an Assumption Agreement in form and substance equivalent to this Disclosure Certificate or as otherwise satisfactory to the City and the Participating Underwriter. However, a Major Owner shall not be required to enter into an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the 2020

Bonds, and under which the property conveyed to such Major Owner will become subject to future Semi-Annual Reports.

Section 8. Dissemination Agent. The Property Owner may, from time to time, with the written consent of the City, appoint or engage a Dissemination Agent to assist the Property Owner in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with the written consent of the City, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the City and the Property Owner.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Property Owner may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied (provided, however, that the Dissemination Agent shall not be obligated under any such amendment that modifies or increases its duties or obligations hereunder without its written consent thereto):

(a) if the amendment or waiver relates to the provisions of sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, or change in law;

(b) the proposed amendment or waiver either (i) is approved by holders of the 2020 Bonds in the manner provided in the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the 2020 Bonds.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Property Owner from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Semi-Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Property Owner chooses to include any information in any Semi-Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Property Owner shall have no obligation under this Disclosure Certificate to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Property Owner to comply with any provision of this Disclosure Certificate, the Fiscal Agent shall (upon written direction and only to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys), and the Participating Underwriter and any holder or beneficial owner of the 2020 Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Property Owner to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the Property Owner to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Property Owner agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding (i) losses,

expenses and liabilities due to the Dissemination Agent's, and its officers, directors, employees, and agents' negligence or willful misconduct, or failure to perform its duties hereunder, and (ii) losses, expenses and liabilities due to the failure of the City to pay the fees and expenses of the Dissemination Agent. The Dissemination Agent shall be paid compensation for its services provided hereunder from the Administrative Expense Fund established under the Fiscal Agent Agreement in accordance with the Dissemination Agent's schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Property Owner, the Fiscal Agent, the 2019 Bond owners, or any other party. The obligations of the Property Owner under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2020 Bonds, but shall be assumed by a Major Owner from and after the date of such assumption when property is sold to a Major Owner and such Major Owner enters into an assumption agreement.

Section 13. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given by electronic, overnight, or regular mail as follows:

To the Issuer:	City of Tracy 333 Civic Plaza Tracy, CA 95376 Email: _____
To the Dissemination Agent:	Goodwin Consulting Group, Inc. 333 University Avenue, Suite 160 Sacramento, California 95825 Email: victor@goodwinconsultinggroup.net
To the Participating Underwriter:	Piper Sandler & Co. 2321 Rosecrans Avenue El Segundo, California 90245 Email: dennis.j.mcguire@pjc.com
To the Property Owner:	Lennar Homes of California, Inc. 2603 Camino Ramon, Suite 525 San Ramon, California 94583 Attn: Chad Kiltz Email: chad.kiltz@lennar.com brent.reed@lennar.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Property Owner (its successors and assigns), the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the 2020 Bonds, and shall create no rights in any other person or entity. All obligations of the Property Owner hereunder shall be assumed by any legal successor to the obligations of the Property Owner as a result of a sale, merger, consolidation or other reorganization.

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

LENNAR HOMES OF CALIFORNIA, INC.,
A California corporation

By: _____

Name: _____

Title: _____

AGREED AND ACCEPTED:
Goodwin Consulting Group, Inc.,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

SEMI-ANNUAL REPORT

[MARCH 31, ____ / SEPTEMBER 30, _____]

$_____
IMPROVEMENT AREA NO. 1
OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

This Semi-Annual Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Property Owner) (the "Disclosure Certificate") dated as of [closing date], 2020, executed by the undersigned (the "Property Owner") in connection with the issuance by the City of Tracy (the "City") of the bonds captioned above (the "2020 Bonds") for Improvement Area No. 1 ("Improvement Area No. 1") of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "District").

Capitalized terms used in this Semi-Annual Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

I. Property Ownership and Development

The information in this section is provided as of _____ (this date must be not more than 60 days before the date of this Semi-Annual Report).

A. Description of the Property currently owned by the Property Owner in Improvement Area No. 1 of the District (the "Property"), in substance and form similar to such information in the Official Statement for the 2020 Bonds:

_____
_____

B. Updated information regarding land development and home construction activities with respect to the Property described in the Official Statement for the 2020 Bonds or the Semi-Annual Report last filed in accordance with the Disclosure Certificate:

_____
_____

C. Status of building permits and any material changes to the description of land use or development entitlements for the Property described in the Official Statement for the 2020 Bonds or the Semi-Annual Report last filed in accordance with the Disclosure Certificate:

_____
_____

D. Status of any land purchase contracts with regard to the Property, whether acquisition of land in Improvement Area No. 1 by the Property Owner or sales of land to other property owners (other than individual homeowners).

_____

_____

II. Legal and Financial Status of Property Owner

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any material change in the legal structure of the Property Owner or the financial condition and financing plan of the Property Owner that would materially and adversely interfere with its ability to complete the development plan with respect to the Property described in the Official Statement. To the extent that the ownership of the Property Owner has changed, describe all material terms of the new ownership structure.

_____

_____

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any development plans or financing plans relating to the Property *that are materially different from* the proposed development and financing plan for the Property described in the Official Statement or in a previous Semi-Annual Report.

_____

_____

IV. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any other significant changes in the information relating to the Property Owner or the Property contained in the Official Statement under the heading “PROPERTY OWNERSHIP AND THE DEVELOPMENT – Lennar Homes” that would materially and adversely interfere with the Property Owner’s ability to develop and sell the Property as described in the Official Statement.

_____

_____

V. Status of Tax Payments

Describe status of payment of taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property owned by the Property Owner and its Affiliates.

_____

_____

VI. Other Material Information

In addition to any of the information expressly required above, provide such further information, if any, with respect to the Property and the Property Owner as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

_____

_____

Certification

On behalf of the Property Owner, the undersigned Authorized Representative, based on actual knowledge after reasonable inquiry of employees of Property Owner and its affiliates, hereby certifies that this Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by the Property Owner under the Disclosure Certificate.

ANY OTHER STATEMENTS REGARDING THE PROPERTY OWNER, THE DEVELOPMENT OF THE PROPERTY, THE PROPERTY OWNER'S FINANCING PLAN OR FINANCIAL CONDITION, OR THE 2020 BONDS, OTHER THAN STATEMENTS MADE BY THE PROPERTY OWNER IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE PROPERTY OWNER. THE PROPERTY OWNER IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

THE PROPERTY OWNER HAS NO OBLIGATION TO UPDATE THIS SEMI-ANNUAL REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated:_____

LENNAR HOMES OF CALIFORNIA, INC.,
A California corporation

By:_____

Name:_____

Title:_____

CONTINUING DISCLOSURE CERTIFICATE
(Tracy Phase I, LLC)

$_____
IMPROVEMENT AREA NO. 1
OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

Dated: _____, 2020

This Continuing Disclosure Certificate (Property Owner) (this "Disclosure Certificate") is executed and delivered by Tracy Phase I, LLC, a Delaware limited liability company (the "Property Owner"), in connection with the issuance by the City of Tracy (the "City") of the bonds captioned above (the "2020 Bonds"). The 2020 Bonds are being issued under a Fiscal Agent Agreement dated as of August 1, 2018, as supplemented by a First Supplement to Fiscal Agent Agreement dated as of August 1, 2019, and as supplemented by a Second Supplement to Fiscal Agent Agreement dated as of November 1, 2020 (as supplemented, the "Fiscal Agent Agreement"), by and between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"). The Property Owner covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Property Owner for the benefit of the holders and beneficial owners of the 2020 Bonds.

Section 2. Definitions. In addition to the definitions set forth above and in the Fiscal Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Affiliate*" means any person presently directly (or indirectly through one or more intermediaries) under managerial control of the Property Owner, and about whom information could be material to potential investors in their investment decision regarding the 2020 Bonds (including without limitation information relevant to the proposed development of the Property or to the Property Owner's ability to pay the Special Taxes levied on the Property prior to delinquency).

"Assumption Agreement" means an undertaking of a Major Owner, for the benefit of the holders and beneficial owners of the 2020 Bonds, containing terms substantially similar to this Disclosure Certificate (as modified for such Major Owner's development and financing plans with respect to the District), whereby such Major Owner agrees to provide semi-annual reports and notices of significant events, setting forth the information described in sections 4 and 5 hereof, respectively, with respect to the portion of the property in Improvement Area No. 1 owned by such Major Owner and agrees to indemnify the Dissemination Agent (if any) pursuant to a provision substantially in the form of Section 12 hereof.

"*Dissemination Agent*" means Goodwin Consulting Group, Inc., or any successor Dissemination Agent designated in writing by the Property Owner, with the written consent of the City, and which has filed with the Property Owner and the City a written acceptance of such designation, and which is experienced in providing dissemination agent services such as those required under this Disclosure Certificate.

"*District*" means the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills).

"*Improvement Area No. 1*" means Improvement Area No. 1 of the District.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*Major Owner*" means, as of any Report Date, a Person that, together with the Person's Affiliates, owns 185 or more residential lots (or property intended to be subdivided into 185 or more residential lots) in Improvement Area No. 1.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information.

"*Official Statement*" means the final Official Statement dated _____, 2020, executed by the City in connection with the issuance of the 2020 Bonds.

"*Participating Underwriter*" means Piper Sandler & Co., the original underwriter of the 2020 Bonds.

"*Person*" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

"*Property*" means (i) the property owned by the Property Owner in Improvement Area No. 1 as of the Report Date, and (ii) the property in Improvement Area No. 1 that the Property Owner sold to a Major Owner who has not assumed the undertakings of this Disclosure Certificate under Section 7(b) that is owned by such Major Owner.

"*Report Date*" means (a) September 30 of each year, and (b) March 31 of each year.

"*Semi-Annual Report*" means any Semi-Annual Report provided by the Property Owner pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Special Taxes"* means the special taxes for facilities levied by the City on the Property.

Section 3. Provision of Semi-Annual Reports.

(a) The Property Owner shall, or upon written direction of the Property Owner the Dissemination Agent shall, not later than the Report Date, commencing March 31, 2021, provide to the MSRB, in an electronic format as prescribed by the MSRB, a Semi-Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate with a copy to the Participating Underwriter and the City. Not later than 15 calendar days prior to the Report Date, the Property Owner shall provide the Semi-Annual Report to the Dissemination Agent (if different from the Property Owner). The Property Owner shall provide a written certification with (or included as a part of) each Semi-Annual Report furnished to the Dissemination Agent (if different from the Property Owner), Participating Underwriter and the City to the effect that such Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by it under this Disclosure Certificate. The Dissemination Agent, the Participating Underwriter and the City may conclusively rely upon such certification of the Property Owner and shall have no duty or obligation to review the Semi-Annual Report. The Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Dissemination Agent does not receive a Semi-Annual Report by 15 calendar days prior to the Report Date, the Dissemination Agent shall send a reminder notice to the Property Owner

that the Semi-Annual Report has not been provided as required under Section 3(a) above. The reminder notice shall instruct the Property Owner to determine whether its obligations under this Disclosure Certificate have terminated (pursuant to Section 7 below) and, if so, to provide the Dissemination Agent with a notice of such termination in the same manner as for a Listed Event (pursuant to Section 5 below). If the Property Owner does not provide, or cause the Dissemination Agent to provide, a Semi-Annual Report to the MSRB by the Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice to the MSRB, in an electronic format as prescribed by the MSRB.

(c) The Dissemination Agent shall:

(i) determine prior to each Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of continuing disclosure reports; and;

(ii) to the extent the Semi-Annual Report has been furnished to it, file a report with the Property Owner (if the Dissemination Agent is other than the Property Owner), the City and the Participating Underwriter certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Semi-Annual Reports. The Property Owner's Semi-Annual Report shall contain or incorporate by reference the information set forth in Exhibit A, any or all of which may be included by specific reference to other documents, including official statements of debt issues of the Property Owner or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Property Owner shall clearly identify each such other document so included by reference.

In addition to any of the information expressly required to be provided in Exhibit A, each Semi-Annual Report shall include such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Significant Events.

(a) So long as the Property Owner's obligations under this Disclosure Certificate have not been terminated pursuant to Section 7 herein, the Property Owner shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to itself or the Property, if material:

(i) bankruptcy or insolvency proceedings commenced by or against the Property Owner and, if known, any bankruptcy or insolvency proceedings commenced by or against any Affiliate of the Property Owner;

(ii) failure to pay any taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property prior to the delinquency date, to the extent such failure is not promptly cured by the Property Owner upon discovery thereof;

(iii) filing of a lawsuit against the Property Owner or, if known, an Affiliate of the Property Owner, seeking damages which, if successful, could have a material and adverse impact on the Property Owner's ability to pay Special Taxes prior to delinquency or to sell or develop the Property;

(iv) material damage to or destruction of any of the improvements on the Property; and

(v) any payment default or other material default by the Property Owner that continues to exist beyond any applicable notice and cure periods on any loan with respect to the construction of improvements on the Property.

(b) Whenever the Property Owner obtains knowledge of the occurrence of a Listed Event, the Property Owner shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Property Owner determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Property Owner shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the City and the Participating Underwriter.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Duration of Reporting Obligation.

(a) All of the Property Owner's obligations hereunder shall commence on the date hereof and shall terminate (except as provided in Section 12) on the earliest to occur of the following:

(i) upon the legal defeasance, prior redemption or payment in full of all the 2020 Bonds, or

(ii) if the Property Owner is Tracy Phase I, LLC, at such time as (A) 90% of the Construction Costs (currently $87,977,807) shown in Table 5 of the Official Statement are completed and (B) the Property owned by the Property Owner is less than 185 residential lots (or property that will be subdivided into less than 185 residential lots), or

(iii) if the Property Owner is other than Tracy Phase I, LLC, at such time as the Property owned by the Property Owner is less than 185 residential lots (or property that will be subdivided into less than 185 residential lots), or

(iv) the date on which the Property Owner prepays in full all of the Special Taxes attributable to the Property.

The Property Owner shall give notice of the termination of its obligations under this Disclosure Certificate in the same manner as for a Listed Event under Section 5.

(b) If a portion of the Property is conveyed to a person or entity that, upon such conveyance, will be a Major Owner, the obligations of the Property Owner hereunder with respect to the property conveyed to such Major Owner may be assumed by such Major Owner and the Property Owner's obligations hereunder with respect to the property conveyed will be terminated. In order to effect such assumption, such Major Owner shall enter into an Assumption Agreement in form and substance equivalent to this Disclosure Certificate or as otherwise satisfactory to the City and the Participating Underwriter. However, a Major Owner shall not be required to enter into an Assumption Agreement if such Major Owner is already a party to a continuing disclosure certificate in form and substance similar to this Disclosure Certificate with respect to the 2020

Bonds, and under which the property conveyed to such Major Owner will become subject to future Semi-Annual Reports.

Section 8. Dissemination Agent. The Property Owner may, from time to time, with the written consent of the City, appoint or engage a Dissemination Agent to assist the Property Owner in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with the written consent of the City, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the City and the Property Owner.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Property Owner may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied (provided, however, that the Dissemination Agent shall not be obligated under any such amendment that modifies or increases its duties or obligations hereunder without its written consent thereto):

(a) if the amendment or waiver relates to the provisions of sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, or change in law;

(b) the proposed amendment or waiver either (i) is approved by holders of the 2020 Bonds in the manner provided in the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the 2020 Bonds.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Property Owner from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Semi-Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Property Owner chooses to include any information in any Semi-Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Property Owner shall have no obligation under this Disclosure Certificate to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Property Owner to comply with any provision of this Disclosure Certificate, the Fiscal Agent shall (upon written direction and only to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys), and the Participating Underwriter and any holder or beneficial owner of the 2020 Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Property Owner to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the Property Owner to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Property Owner agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding (i) losses,

expenses and liabilities due to the Dissemination Agent's, and its officers, directors, employees, and agents' negligence or willful misconduct, or failure to perform its duties hereunder, and (ii) losses, expenses and liabilities due to the failure of the City to pay the fees and expenses of the Dissemination Agent. The Dissemination Agent shall be paid compensation for its services provided hereunder from the Administrative Expense Fund established under the Fiscal Agent Agreement in accordance with the Dissemination Agent's schedule of fees as amended from time to time, which schedule, as amended, shall be reasonably acceptable, and all reasonable expenses, reasonable legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Property Owner, the Fiscal Agent, the 2019 Bond owners, or any other party. The obligations of the Property Owner under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2020 Bonds, but shall be assumed by a Major Owner from and after the date of such assumption when property is sold to a Major Owner and such Major Owner enters into an assumption agreement.

Section 13. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given by electronic, overnight, or regular mail as follows:

To the Issuer:	City of Tracy 333 Civic Plaza Tracy, CA 95376 Email: _____
To the Dissemination Agent:	Goodwin Consulting Group, Inc. 333 University Avenue, Suite 160 Sacramento, California 95825 Email: victor@goodwinconsultinggroup.net
To the Participating Underwriter:	Piper Sandler & Co. 2321 Rosecrans Avenue El Segundo, California 90245 Email: dennis.j.mcguire@pjc.com
To the Property Owner:	Tracy Phase I, LLC c/o Integral Communities San Clemente, Suite 100 Newport Beach, CA 92660 Email: jstanek@integralcommunities.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Property Owner (its successors and assigns), the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the 2020 Bonds, and shall create no rights in any other person or entity. All obligations of the Property Owner hereunder shall be assumed by any legal successor to the obligations of the Property Owner as a result of a sale, merger, consolidation or other reorganization.

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

TRACY PHASE I, LLC
A Delaware limited liability company

By: _____

Name: _____

Title: _____

AGREED AND ACCEPTED:
Goodwin Consulting Group, Inc.,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

SEMI-ANNUAL REPORT

[MARCH 31, ____ / SEPTEMBER 30, _____]

$_____
IMPROVEMENT AREA NO. 1
OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

This Semi-Annual Report is hereby submitted under Section 4 of the Continuing Disclosure Certificate (Property Owner) (the "Disclosure Certificate") dated as of [closing date], 2020, executed by the undersigned (the "Property Owner") in connection with the issuance by the City of Tracy (the "City") of the bonds captioned above (the "2020 Bonds") for Improvement Area No. 1 ("Improvement Area No. 1") of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "District").

Capitalized terms used in this Semi-Annual Report but not otherwise defined have the meanings given to them in the Disclosure Certificate.

I. Property Ownership and Development

The information in this section is provided as of _____ (this date must be not more than 60 days before the date of this Semi-Annual Report).

A. Description of the Property currently owned by the Property Owner in Improvement Area No. 1 of the District (the "Property"), in substance and form similar to such information in the Official Statement for the 2020 Bonds:

_____
_____

B. Updated information regarding land development and home construction activities with respect to the Property described in the Official Statement for the 2020 Bonds or the Semi-Annual Report last filed in accordance with the Disclosure Certificate:

_____
_____

C. Status of building permits and any material changes to the description of land use or development entitlements for the Property described in the Official Statement for the 2020 Bonds or the Semi-Annual Report last filed in accordance with the Disclosure Certificate:

_____
_____

D. Status of any land purchase contracts with regard to the Property, whether acquisition of land in Improvement Area No. 1 by the Property Owner or sales of land to other property owners (other than individual homeowners).

_____

_____

II. Legal and Financial Status of Property Owner

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any material change in the legal structure of the Property Owner or the financial condition and financing plan of the Property Owner that would materially and adversely interfere with its ability to complete the development plan with respect to the Property described in the Official Statement. To the extent that the ownership of the Property Owner has changed, describe all material terms of the new ownership structure.

_____

_____

III. Change in Development or Financing Plans

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, describe any development plans or financing plans relating to the Property *that are materially different from* the proposed development and financing plan for the Property described in the Official Statement or in a previous Semi-Annual Report.

_____

_____

IV. Change in Relationship with Builders

Describe any material change in the relationship between the Property Owner and merchant builders with respect to the construction, marketing and sale of homes within Improvement Area No 1, including any changes to financial arrangements between the Property Owner and any merchant builder. To the extent that a new builder has been engaged to carry out home construction, marketing and sales activity in Improvement Area No. 1, fully describe all material terms of the relationship between the Property Owner and any such new builder.

_____

_____

V. Official Statement Updates

Unless such information has previously been included or incorporated by reference in a Semi-Annual Report, (i) describe any other significant changes in the information relating to the Property Owner or the Property contained in the Official Statement under the heading “PROPERTY OWNERSHIP AND THE DEVELOPMENT” that would materially and adversely interfere with the Property Owner’s ability to develop and sell the Property as described in the Official Statement, and (ii) provide an update to the status of infrastructure construction contained in Table 6 of the Official Statement.

_____

_____

V. Status of Tax Payments

Describe status of payment of taxes, special taxes (including the Special Taxes) or assessments due with respect to the Property owned by the Property Owner and its Affiliates.

_____

_____

VI. Other Material Information

In addition to any of the information expressly required above, provide such further information, if any, with respect to the Property and the Property Owner as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

_____

_____

Certification

On behalf of the Property Owner, the undersigned Authorized Representative, based on actual knowledge after reasonable inquiry of employees of Property Owner and its affiliates, hereby certifies that this Semi-Annual Report constitutes the Semi-Annual Report required to be furnished by the Property Owner under the Disclosure Certificate.

ANY OTHER STATEMENTS REGARDING THE PROPERTY OWNER, THE DEVELOPMENT OF THE PROPERTY, THE PROPERTY OWNER'S FINANCING PLAN OR FINANCIAL CONDITION, OR THE 2020 BONDS, OTHER THAN STATEMENTS MADE BY THE PROPERTY OWNER IN AN OFFICIAL RELEASE, OR FILED WITH THE MUNICIPAL SECURITIES RULEMAKING BOARD, ARE NOT AUTHORIZED BY THE PROPERTY OWNER. THE PROPERTY OWNER IS NOT RESPONSIBLE FOR THE ACCURACY, COMPLETENESS OR FAIRNESS OF ANY SUCH UNAUTHORIZED STATEMENTS.

THE PROPERTY OWNER HAS NO OBLIGATION TO UPDATE THIS SEMI-ANNUAL REPORT OTHER THAN AS EXPRESSLY PROVIDED IN THE DISCLOSURE CERTIFICATE.

Dated:_____

TRACY PHASE I, LLC,
a Delaware limited liability company

By:_____

Name:_____

Title:_____

APPENDIX I

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the 2020 Bonds, payment of principal, interest and other payments on the 2020 Bonds (herein, the "Securities") to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Securities (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Securities (the "Agent") takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC") will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are

registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

SECOND SUPPLEMENT TO FISCAL AGENT AGREEMENT

by and between the

CITY OF TRACY

and

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

Dated as of November 1, 2020

RELATING TO

$_____
IMPROVEMENT AREA NO. 1 OF THE
CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1
(TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

TABLE OF CONTENTS

ARTICLE XV 3
DEFINITIONS; AUTHORIZATION AND PURPOSE OF SERIES 2020 BONDS; EQUAL SECURITY 3
Section 15.01. Definitions 3
Section 15.02. Rules of Construction. 4
Section 15.03. Authorization. 5
Section 15.04. Equal Security 5
ARTICLE XVI 6
ISSUANCE OF Series 2020 BONDS 6
Section 16.01. Terms of Series 2020 Bonds 6
Section 16.02. Payment of Interest on the Series 2020 Bonds 8
Section 16.03. Redemption of Series 2020 Bonds. 8
Section 16.04. Form of Series 2020 Bonds. 11
ARTICLE XVII 12
ISSUE OF SERIES 2020 BONDS 12
Section 17.01. Issuance of Series 2020 Bonds 12
Section 17.02. Application of Proceeds of Sale of Series 2020 Bonds 12
Section 17.03. 2020 Costs of Issuance Fund 13
Section 17.04. 2020 Reserve Fund 13
Section 17.05. 2020 Capitalized Interest Account 16
ARTICLE XVIII 17
COVENANTS 17
Section 18.01. Rebate Requirement 17
Section 18.02. Private Activity Bond Limitations 17
Section 18.03. Federal Guarantee Prohibition 17
Section 18.04. No Arbitrage 17
Section 18.05. Yield of the Series 2020 Bonds 17
Section 18.06. Maintenance of Tax-Exemption 18
Section 18.07. Continuing Disclosure 18
ARTICLE XIX 19
ADDITIONAL PROVISIONS 19
Section 19.01. Applicable Law 19
Section 19.02. Conflict with Act 19
Section 19.03. Conclusive Evidence of Regularity 19
Section 19.04. Confirmation of Original Fiscal Agent Agreement; Conflict With Original Fiscal Agent Agreement 19
Section 19.05. Counterparts 19

EXHIBIT A FORM OF SERIES 2020 BOND
EXHIBIT B OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM 2020 COSTS ISSUANCE FUND

SECOND SUPPLEMENT TO FISCAL AGENT AGREEMENT

THIS SECOND SUPPLEMENT TO FISCAL AGENT AGREEMENT, dated as of November 1, 2020 (the "**Second Supplement to Fiscal Agent Agreement**"), by and between the CITY OF TRACY, a municipal corporation and general law city organized and existing under and by virtue of the Constitution and laws of the State of California (the "**City**") for and on behalf of the "City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" (the "**CFD**") with respect to its "Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" ("**Improvement Area No. 1**"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America with a corporate trust office located in San Francisco, California, as fiscal agent (the "**Fiscal Agent**");

W I T N E S S E T H :

WHEREAS, the City Council of the City (the "**City Council**") has formed the CFD, including Improvement Area No. 1, under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (section 53311 *et seq.* of the California Government Code) (the "**Act**"); and

WHEREAS, the City Council, as the legislative body with respect to the CFD, is authorized under the Act to levy special taxes within Improvement Area No. 1 to pay for the costs of facilities and to authorize the issuance of bonds secured by said special taxes under the Act; and

WHEREAS, the City and the Fiscal Agent previously executed a Fiscal Agent Agreement, dated as of August 1, 2018 (the "**Original Fiscal Agent Agreement**"), and the City issued and sold, for and on behalf of the CFD with respect to Improvement Area No. 1, the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2018 (the "**Series 2018 Bonds**") in the initial principal amount of $32,625,000; and

WHEREAS, the City, for and on behalf of the CFD with respect Improvement Area No. 1, subsequently issued its $14,850,000 initial principal amount Improvement Area No. 1 of the City of Tracy Community Facilities City No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2019 (the "**Series 2019 Bonds**") pursuant to the Original Fiscal Agent Agreement, as supplemented by a First Supplement to Fiscal Agent Agreement, dated as of August 1, 2019, by and between the City, for and on behalf of the CFD, and the Fiscal Agent (the "**First Supplement**"); and

WHEREAS, the City wishes to pay a portion of the costs of acquiring and constructing authorized facilities, and proposes to issue, on behalf of the CFD with respect to Improvement Area No. 1, the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "**Series 2020 Bonds**"), which Series 2020 Bonds will constitute a series of Parity Bonds under Section 3.06 of the Fiscal Agent Agreement; and

WHEREAS, on ____, 2020, the Board adopted Resolution No. 2020-___ (the "**Resolution**") supplementing Resolution No. 2016-161, which was adopted on July 19,

2016, and Resolution No. 2018-150, which was adopted on July 17, 2018, and authorizing the issuance of the Series 2020 Bonds for and on behalf of the CFD with respect to Improvement Area No. 1; and

WHEREAS, it is in the public interest and for the benefit of the City, the CFD, Improvement Area No. 1 and the persons responsible for the payment of special taxes that the City enter into this Second Supplement to Fiscal Agent Agreement to provide for the issuance of the Series 2020 Bonds and disbursement of proceeds of the Series 2020 Bonds, the disposition of the special taxes securing the Series 2020 Bonds and the administration and payment of the Series 2020 Bonds; and

WHEREAS, the City has determined that all acts and proceedings required by law and the Fiscal Agent Agreement necessary to make the Series 2020 Bonds, when executed by the City, authenticated and delivered by the Fiscal Agent and duly issued, the valid, binding and legal special obligations of the City, and to constitute this Second Supplement to Fiscal Agent Agreement a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Second Supplement to Fiscal Agent Agreement have been in all respects duly authorized;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE XV

DEFINITIONS; AUTHORIZATION AND PURPOSE OF SERIES 2020 BONDS; EQUAL SECURITY

Section 15.01. Definitions.

Unless the context clearly otherwise requires or unless otherwise defined in this Section, the capitalized terms in this Second Supplement to Fiscal Agent Agreement shall have the respective meanings that they have in the Original Fiscal Agent Agreement.

"**Authorized Denomination**" means $5,000 or any integral multiple thereof.

"Closing Date" means the date of initial issuance and delivery of the Series 2020 Bonds.

"Interest Payment Date" for the Series 2020 Bonds means March 1 and September 1 of each year, commencing March 1, 2021.

"Original Purchaser" and **"Participating Underwriter"** means Piper Sandler & Co., as the first purchaser of the Series 2020 Bonds from the City.

"**Qualified Reserve Account Credit Instrument**" means an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Fiscal Agent, provided that all of the following requirements are met at the time of acceptance thereof by the Fiscal Agent: (a) in the case of a commercial bank, the long-term credit rating of such bank at the time of delivery of the irrevocable standby or direct-pay letter of credit is at least "A" from S&P or "A" from Moody's and, in the case of an insurance company, the claims paying ability of such insurance company at the time of delivery of the insurance policy or surety bond is at least "A" from S&P, or "A" from Moody's or, if not rated by S&P or Moody's but is rated by A.M. Best & Company, is rated at the time of delivery in the highest rating category by A.M. Best & Company; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the 2020 Reserve Requirement with respect to which funds are proposed to be released; and (d) the Fiscal Agent is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Bond Fund for the purpose of making payments with respect to the Series 2020 Bonds and any 2020 Related Parity Bonds.

"**Series 2018 Bonds**" shall have the meaning given that term in the recitals to this Second Supplement to Fiscal Agent Agreement.

"**Series 2019 Bonds**" shall have the meaning given that term in the recitals to this Second Supplement to Fiscal Agent Agreement.

"**Series 2020 Bonds**" shall have the meaning given that term in the recitals to this Second Supplement to Fiscal Agent Agreement.

"**Series 2020 Term Bonds**" means the (i) Series 2020 Bonds maturing on September 1, ____, (ii) the 2020 Bonds maturing on September 1, ____, (iii) the 2020 Bonds maturing on September 1, ___, (iv) the 2020 Bonds maturing on September 1, ____, (v) the 2020 Bonds maturing on September 1, ____ and (vi) the 2020 Bonds maturing on September 1, ____.

"**2020 Capitalized Interest Account**" means the 2020 Capitalized Interest Account established pursuant to Section 17.05.

"**2020 Costs of Issuance Fund**" means the 2020 Costs of Issuance Fund established pursuant to Section 17.03

"**2020 Related Parity Bonds**" means any series of Parity Bonds for which (i) the Proceeds are deposited into the 2020 Reserve Fund so that the balance therein is equal to the 2020 Reserve Requirement following issuance of such Parity Bonds and (ii) the related Supplemental Agreement specifies that the 2020 Reserve Fund shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Parity Bonds.

"**2020 Reserve Fund**" means the 2020 Reserve Fund established pursuant to Section 17.04.

"2020 Reserve Requirement" means the amount as of any date of calculation equal to the least of (a) Maximum Annual Debt Service on the Series 2020 Bonds and 2020 Related Parity Bonds, if any, (b) 125% of average Annual Debt Service on the Series 2020 Bonds and 2020 Related Parity Bonds, if any and (c) 10% of the outstanding principal of the Series 2020 Bonds and 2020 Related Parity Bonds, if any; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the Series 2020 Bonds or any 2020 Related Parity Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the Series 2020 Bonds or any 2020 Related Parity Bonds was less than 98% or more than 102% of the original principal amount of the Series 2020 Bonds or any 2020 Related Parity Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated hereunder exceed the amount on deposit in the Series 2020 Reserve Fund on the date of issuance of the Series 2020 Bonds (if they are the only Bonds covered by the 2020 Reserve Fund) or the most recently issued series of 2020 Related Parity Bonds (if any 2020 Related Parity Bonds are covered by the 2020 Reserve Fund) except in connection with any increase associated with the issuance of 2020 Related Parity Bonds; and

(C) that in no event shall the amount required to be deposited into the 2020 Reserve Fund in connection with the issuance of a series of 2020 Related Parity Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested at an unrestricted yield.

Section 15.02. Rules of Construction. All references in this Second Supplement to Fiscal Agent Agreement to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Fiscal Agent Agreement; and the words

"herein," "hereof," "hereunder," and other words of similar import refer to the Fiscal Agent Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

Section 15.03. Authorization. Each of the parties represents and warrants that it has full legal authority and is duly empowered to enter into this Second Supplement to Fiscal Agent Agreement and has taken all actions necessary to authorize the execution of this Second Supplement to Fiscal Agent Agreement by the officers and persons signing it.

Section 15.04. Equal Security. As Parity Bonds issued pursuant to Section 3.06 of the Fiscal Agent Agreement, the Series 2020 Bonds shall be secured by a lien and charge upon the Special Taxes and the respective funds and accounts established under the Original Fiscal Agent Agreement equal to and on a parity with the lien and charge securing the outstanding Series 2018 Bonds and the Series 2019 Bonds, as set forth in the Fiscal Agent Agreement.

From and after the Closing Date, all references to "Bonds" in the Original Fiscal Agent Agreement shall be deemed to be a reference to the Series 2020 Bonds and any other Parity Bonds issued and Outstanding under Section 3.06 of the Fiscal Agent Agreement, except to the extent provided in this Second Supplement to Fiscal Agent Agreement or any other supplement to the Original Fiscal Agent Agreement.

ARTICLE XVI

ISSUANCE OF SERIES 2020 BONDS

Section 16.01. Terms of Series 2020 Bonds.

(A) The Series 2020 Bonds authorized to be issued by the City under and subject to the Act and the terms of the Fiscal Agent Agreement, shall be designated the "Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020," and shall be issued in the initial principal amount of _____ Dollars ($_____).

(B) The Series 2020 Bonds shall be dated the Closing Date, issued in fully registered form without coupons in Authorized Denominations, and shall mature on the dates and in the principal amounts and shall bear interest at the rates per annum set forth in the following schedule:

Maturity (September 1)	Principal Amount	Interest Rate

*Series 2020 Term Bonds

The Series 2020 Term Bonds shall be subject to mandatory sinking fund redemption under Section 16.03 of this Second Supplement to Fiscal Agent Agreement as follows:

Series 2020 Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

(C) Except as otherwise set forth in this Section 16.01, Sections 2.02-2.10 of the Fiscal Agent Agreement shall govern the Series 2020 Bonds.

Section 16.02. Payment of Interest on the Series 2020 Bonds. The Series 2020 Bonds shall bear interest at the rates set forth above in Section 16.01 payable on the Interest Payment Dates in each year set forth in Section 16.01 above. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2020 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Series 2020 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 16.03. Redemption of Series 2020 Bonds.

(A) Redemption Provisions.

(i) Mandatory Prepayment Redemption. Special Tax Prepayments and any corresponding transfers from the 2020 Reserve Fund shall be used to redeem Series 2020 Bonds on the next Interest Payment Date for which notice of redemption can timely be given, among maturities so as to maintain substantially the same debt service profile for the Series 2020 Bonds as in effect prior to such redemption and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Series 2020 Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Price
Any Interest Payment Date beginning March 1, 2021 and continuing to and including March 1, 20__	103%
September 1, ____ and March 1, ____	102
September 1, ____ and March 1, ___	101
September 1, ___ and any Interest Payment Date thereafter	100

(ii) Optional Redemption from any Source other than Prepayments. The Series 2020 Bonds maturing on or after September 1, ____, are subject to optional

redemption as directed by the City, from sources of funds other than prepayments of Special Taxes, prior to their stated maturity on any date on or after September 1, ____, as a whole or in part, at the redemption prices (expressed as a percentage of the principal amount of the Series 2020 Bonds to be redeemed) set forth below, together with accrued interest thereon to the date fixed for redemption:

Redemption Dates	Redemption Price
September 1, ____ through August 31, ____	103%
September 1, ____through August 31, ____	102
September 1, ____through August 31, ____	101
September 1, ____through any date thereafter	100

(iii) Mandatory Sinking Fund Redemption. The Series 2020 Term Bonds shall also be subject to mandatory redemption in part by lot, from Sinking Fund Payments made by the City from the Bond Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, all as set forth in the table in Section 16.01 above; provided, however, if some but not all of the Series 2020 Term Bonds of a given maturity have been redeemed under subsections (i) and (ii) above the total amount of all future Sinking Fund Payments relating to such maturity shall be reduced by the aggregate principal amount of Series 2020 Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments as directed by the City. In the event of a redemption pursuant to Section 16.03(a)(i) and (ii), the City shall provide the Trustee with a revised sinking fund schedule giving effect to the redemption so completed.

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent written notice of its intention to redeem Series 2020 Bonds under subsection (a)(i) or (ii) not less than forty-five (45) days prior to the applicable redemption date unless waived by the Fiscal Agent.

(C) Purchase of Series 2020 Bonds in Lieu of Redemption.

(i) In lieu of redemption under Section 16.03(A), moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Series 2020 Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Series 2020 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Series 2020 Bonds were to be redeemed in accordance with this Second Supplement to Fiscal Agent Agreement.

(ii) In lieu of and following distribution of a notice of an optional redemption under Section 16.03(A)(ii), the City shall have the right to purchase or to cause the purchase of all or a portion of the Series 2020 Bonds in lieu of the optional redemption and to leave such Series 2020 Bonds outstanding.

(D) Redemption Procedure by Fiscal Agent.

(i) Notices. The Fiscal Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least twenty (20) days but not more than sixty (60) days prior to the date fixed for redemption, to the Original Purchaser, to the

Securities Depositories, and to the respective registered Owners of any Series 2020 Bonds designated for redemption, at their addresses appearing on the Series 2020 Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Series 2020 Bonds. In addition, the Fiscal Agent shall file each notice of redemption with the MSRB through its EMMA system.

(ii) Contents of Notices. Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Series 2020 Bonds are to be called for redemption shall state as to any Series 2020 Bond called in part the principal amount thereof to be redeemed, and shall require that such Series 2020 Bonds be then surrendered at the Principal Office of the Fiscal Agent for redemption at the said redemption price, and shall state that further interest on such Series 2020 Bonds will not accrue from and after the redemption date. The cost of mailing any such redemption notice and any expenses incurred by the Fiscal Agent in connection therewith shall be paid by the City.

Any redemption notice may specify that redemption on the specified date will be subject to receipt by the City of moneys sufficient to cause such redemption (and shall specify the proposed source of such moneys), and neither the City nor the Fiscal Agent shall have any liability to the Owners or any other party as a result of its failure to redeem the Series 2020 Bonds as a result of insufficient moneys. The City shall have the right to rescind any redemption by written notice to the Fiscal Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Series 2020 Bonds then called for redemption, and such cancellation shall not constitute a default hereunder. The Fiscal Agent shall mail notice of rescission of redemption in the same manner that notice of redemption was originally provided.

(iii) Selection of Series 2020 Bonds for Redemption. Whenever provision is made in this Second Supplement to Fiscal Agent Agreement for the redemption of less than all of the Series 2020 Bonds of any maturity or any given portion thereof, the Fiscal Agent shall select the Series 2020 Bonds to be redeemed, from all Series 2020 Bonds or such given portion thereof not previously called for redemption, as directed by the City or, in the absence of direction by the City, on a pro rata basis among maturities, and, within a maturity, by lot in any manner which the Fiscal Agent in its sole discretion shall deem appropriate.

(iv) New Bonds. Upon surrender of Series 2020 Bonds redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the registered Owner, at the expense of the City, a new Series 2020 Bond or Series 2020 Bonds, of the same series and maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2020 Bond or Series 2020 Bonds.

(E) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Series 2020 Bonds so called for redemption shall have been deposited in the Bond Fund, such Series 2020 Bonds so called shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after

the redemption date specified in the notice of redemption. All Series 2020 Bonds redeemed and purchased by the Fiscal Agent under this Section 16.03 shall be canceled by the Fiscal Agent. The Fiscal Agent shall destroy the canceled Bonds in accordance with the Fiscal Agent's retention policy then in effect.

Section 16.04. Form of Series 2020 Bonds. The Series 2020 Bonds, the Fiscal Agent's certificate of authentication, and the assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Second Supplement to Fiscal Agent Agreement.

ARTICLE XVII

ISSUE OF SERIES 2020 BONDS

Section 17.01. Issuance of Series 2020 Bonds.

(A) Series 2020 Bonds. Upon the execution and delivery of this Second Supplement to Fiscal Agent Agreement, satisfaction of the requirements for issuance of Parity Bonds under Section 3.06 of the Fiscal Agent Agreement, and satisfaction of the conditions to issuance of refunding bonds pursuant to Section 53362.5 of the Act, to the extent applicable, the City shall execute and deliver Series 2020 Bonds in the aggregate initial principal amount of _____ Dollars ($_____) to the Fiscal Agent for authentication and delivery to the Original Purchaser thereof upon receipt by the Fiscal Agent of an Officer's Certificate requesting authentication and delivery.

(B) Improvement Area No. 1 Indebtedness Limit. As a result of the issuance of the Series 2018 Bonds, the Series 2019 Bonds and Series 2020 Bonds, the remaining unissued amount of authorized indebtedness of Improvement Area No. 1 has decreased from $80,000,000 to $_____.

Section 17.02. Application of Proceeds of Sale of Series 2020 Bonds. On the Closing Date, the proceeds of sale of the Series 2020 Bonds shall be paid to the Fiscal Agent in the amount of $_____, which is equal to the aggregate principal amount of the Series 2020 Bonds, plus an original issue premium in the amount of $_____, less an underwriter's discount in the amount of $_____. The Fiscal Agent shall apply the proceeds described in the previous sentence as follows:

(A) The Fiscal Agent shall deposit into the 2020 Costs of Issuance Fund, maintained and administered by the Fiscal Agent in accordance with Section 17.03 of this Second Supplement to Fiscal Agent Agreement, the sum of $_____ for payment of the Costs of Issuance of the Series 2020 Bonds.

(B) The Fiscal Agent shall deposit $_____ in the 2020 Reserve Fund maintained and administered by the Fiscal Agent in accordance with Section 17.04 of this Second Supplement to Fiscal Agent Agreement, which is equal to the initial 2020 Reserve Requirement.

(C) The Fiscal Agent shall deposit $_____ in the Bond Proceeds Account of the Improvement Fund maintained and administered by the Fiscal Agent in accordance with Section 4.07 of the Fiscal Agent Agreement.

(D) The Fiscal Agent shall deposit $_____ in the Bond Fund maintained and administered by the Fiscal Agent in accordance with Section 4.04 of the Fiscal Agent Agreement, which amount shall represent capitalized interest and be deposited into the 2020 Capitalized Interest Account maintained and administered by the Fiscal Agent in accordance with Section 17.05 of this Second Supplement to Fiscal Agent Agreement.

Section 17.03. 2020 Costs of Issuance Fund.

(A) Establishment of the 2020 Costs of Issuance Fund; Deposit. There is hereby established as a separate fund to be held by the Fiscal Agent to be designated the "Series 2020 Costs of Issuance Fund" (the "**2020 Costs of Issuance Fund**"), to the credit of which a deposit shall be made as required by Section 17.02(A). Moneys in the 2020 Costs of Issuance Fund shall be held in trust by the Fiscal Agent and shall be disbursed as provided in paragraph (b) of this Section for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the 2020 Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in an Officer's Certificate of the City containing respective amounts to be paid to the designated payees, and delivered to the Fiscal Agent concurrently with the delivery of the Series 2020 Bonds, or in any future Officer's Certificate in the form of Exhibit B, which is attached hereto, submitted to the Fiscal Agent. Each such certificate shall be sufficient evidence to the Fiscal Agent of the facts stated therein and the Fiscal Agent shall have no duty to confirm the accuracy of such facts. The Fiscal Agent shall pay all Costs of Issuance after receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee pursuant to the Officer's Certificate requesting payment of Costs of Issuance. The Fiscal Agent shall maintain the 2020 Costs of Issuance Fund for a period of 180 days from the date of delivery of the Series 2020 Bonds and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the Improvement Fund.

(C) Investment. Moneys in the 2020 Costs of Issuance Fund shall be invested and deposited in accordance with Section 6.01 of the Fiscal Agent Agreement. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Agent in the 2020 Costs of Issuance Fund to be used for the purposes of such fund.

Section 17.04. 2020 Reserve Fund.

(A) Establishment of Fund. The 2020 Reserve Fund is hereby established as a separate fund to be held by the Fiscal Agent to the credit of which a deposit shall be made as required by Section 17.02(B), which deposit, as of the Closing Date, is equal to the initial 2020 Reserve Requirement with respect to the Series 2020 Bonds, and deposits shall be made as provided in Sections 3.06(C) and 4.05(A) and (B). Moneys in the 2020 Reserve Fund shall be held by the Fiscal Agent for the benefit of the Owners of the Series 2020 Bonds and any 2020 Related Parity Bonds as a reserve for the payment of the principal of, and interest and any premium on, the Series 2020 Bonds and any 2020 Related Parity Bonds and shall be subject to a lien in favor of the Owners of the Series 2020 Bonds and any 2020 Related Parity Bonds.

Owners of the Series 2020 Bonds shall have no interest in or claim to the 2018 Reserve Fund or the 2019 Reserve Fund, and the Owners of the Bonds covered by the 2018 Reserve Fund and the 2019 Reserve Fund will have no interest in or claim to the 2020 Reserve Fund.

(B) Use of 2020 Reserve Fund. Except as otherwise provided in this Section, all amounts deposited in the 2020 Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the Series 2020 Bonds and any 2020 Related Parity Bonds or, in accordance with the provisions of this Section, for the purpose of redeeming Series 2020 Bonds and any 2020 Related Parity Bonds from the Bond Fund. Whenever a transfer is made from the

2020 Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund for payment of the principal of, and interest and any premium on, the Series 2020 Bonds and any 2020 Related Parity Bonds, the Fiscal Agent shall provide written notice thereof to the Finance Director, specifying the amount withdrawn.

(C) Transfer of Excess of Reserve Requirement. Whenever, on or before any Interest Payment Date, or on any other date at the request of the Finance Director, the amount in the 2020 Reserve Fund exceeds the 2020 Reserve Requirement, the Fiscal Agent shall transfer an amount equal to the excess from the 2020 Reserve Fund to the Bond Fund, to be used to pay interest on the Series 2020 Bonds and any 2020 Related Parity Bonds on the next Interest Payment Date.

(D) Transfer for Rebate Purposes. Amounts in the 2020 Reserve Fund shall be withdrawn for purposes of making payment to the federal government to comply with Section 18.01, upon receipt by the Fiscal Agent of an Officer's Certificate specifying the amount to be withdrawn and to the effect that such amount is needed for rebate purposes; *provided, however,* that no amounts in the 2020 Reserve Fund shall be used for rebate unless the amount in the 2020 Reserve Fund following such withdrawal equals the 2020 Reserve Requirement.

(E) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the 2020 Reserve Fund exceeds the amount required to redeem or pay the Outstanding 2020 Bonds and all Outstanding 2020 Related Parity Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall, upon the written request of the Finance Director, transfer any cash or Permitted Investments in the 2020 Reserve Fund to the Bond Fund to be applied, on the redemption date to the payment and redemption, in accordance with Section 4.04 or 16.03 and the provisions of the Supplemental Agreement related to the 2020 Related Parity Bonds, as applicable, of all of the Outstanding 2020 Bonds and Outstanding 2020 Related Parity Bonds. In the event that the amount so transferred from the 2020 Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding 2020 Bonds and Outstanding 2020 Related Parity Bonds, the balance in the 2020 Reserve Fund shall be transferred to the Finance Director to be used by the City for any lawful purpose.

Notwithstanding the provisions of the first paragraph of this Section 17.04(E), no amounts shall be transferred from the 2020 Reserve Fund under this Section 17.04(E) until after: (i) the calculation of any amounts due to the federal government under Section 18.01 and withdrawal of any such amount under Section 17.04(D) for purposes of making such payment to the federal government; and (ii) payment of any fees and expenses due to the Fiscal Agent.

(F) Transfer Upon Special Tax Prepayment. Whenever Special Taxes are prepaid and Series 2020 Bonds or any 2020 Related Parity Bonds are to be redeemed with the proceeds of such prepayment pursuant to Section 16.03(A)(i) or a Supplemental Agreement related to any 2020 Related Parity Bonds, a proportionate amount in the 2020 Reserve Fund (determined on the basis of the principal of Series 2020 Bonds and 2020 Related Parity Bonds to be redeemed and the then-Outstanding principal of the Series 2020 Bonds and 2020 Related Parity Bonds, but in any event not in excess of the amount that will leave the balance in the 2020 Reserve Fund following the proposed redemption equal to the 2020 Reserve Requirement) shall be transferred on the Business Day prior to the redemption date by the Fiscal Agent to the Bond Fund to be applied to the redemption of the Series 2020 Bonds pursuant to Section 16.03(A)(i) or a Supplemental Agreement related to any 2020 Related Parity Bonds. The Finance Director shall deliver to the Fiscal Agent an Officer’s Certificate

specifying any amount to be so transferred, and the Fiscal Agent may rely on any such Officer's Certificate.

(G) Investment. Moneys in the 2020 Reserve Fund shall be invested by the Fiscal Agent under Section 6.01.

(H) Qualified Reserve Account Credit Instruments. The City shall have the right at any time to direct the Fiscal Agent to release funds from the 2020 Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2020 Bonds or any 2020 Related Parity Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Fiscal Agent, and upon delivery by the City to the Fiscal Agent of a written calculation of the amount permitted to be released from the 2020 Reserve Fund (upon which calculation the Fiscal Agent may conclusively rely), the Fiscal Agent shall transfer such funds from the 2020 Reserve Fund to the Improvement Fund to be used for the purposes thereof. The Fiscal Agent shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this Section. Upon the scheduled expiration of any Qualified Reserve Account Credit Instrument, the City shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Fiscal Agent an amount of funds equal to the 2020 Reserve Requirement, to be derived from the first available Special Tax Revenues. If the 2020 Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Bond Fund with respect to the Series 2020 Bonds and any 2020 Related Parity Bonds. If the 2020 Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Bond Fund with respect to the Series 2020 Bonds and any 2020 Related Parity Bonds shall be pro-rata with respect to each such instrument.

In the event that a Qualified Reserve Account Credit Instrument is available to be drawn upon for only one or more particular series of Bonds, a separate subaccount in the 2020 Reserve Fund may be established for such series, and the calculation of the Reserve Requirement with respect to any 2020 Related Parity Bonds shall exclude the debt service on such issue of 2020 Related Parity Bonds.

The City will have no obligation to replace a Qualified Reserve Account Credit Instrument or to fund the 2020 Reserve Fund with cash if, at any time that the Series 2020 Bonds are Outstanding, the Qualified Reserve Account Credit Instrument (or its provider) is downgraded or the provider becomes insolvent, if there is an unscheduled termination of the Qualified Reserve Account Credit Instrument or if for any reason insufficient amounts are available to be drawn upon under the Qualified Reserve Account Credit Instrument; provided, however, that the City shall reimburse the provider, in accordance with the terms of the Qualified Reserve Account Credit Instrument, for any draws made thereon.

The City and the Fiscal Agent shall comply with the terms of the Qualified Reserve Account Credit Instrument as shall be required to receive payments thereunder in the event and to the extent required under this Section.

Section 17.05. 2020 Capitalized Interest Account. There is hereby established, within the Bond Fund maintained and administered by the Fiscal Agent in accordance with Section 4.04 of the Fiscal Agent Agreement, a separate account to be held by the Fiscal Agent to be designated the "Series 2020 Capitalized Interest Account" (the "**2020 Capitalized Interest Account**"), to the credit of which a deposit shall be made as required by Section 17.02(D). Moneys in the 2020 Capitalized Interest Account shall be held in trust by the Fiscal Agent and shall be used and withdrawn by the Fiscal Agent solely for the payment of interest on the Series 2020 Bonds. When the amount in the 2020 Capitalized Interest Account is fully expended for the payment of interest on the Series 2020 Bonds, the account shall be closed.

ARTICLE XVIII

COVENANTS

Section 18.01. Rebate Requirement. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2020 Bonds. The Finance Director shall take note of any investment of monies hereunder in excess of the yield on the Series 2020 Bonds, and shall take such actions as are necessary to ensure compliance with this Section 18.01, such as increasing the portion of the Special Tax levy for Administration Expenses as appropriate to have funds available in the Administrative Expense Fund to satisfy any rebate liability under this Section. If necessary to satisfy its obligations under this Section 18.01, the City may use:

(A) Amounts in the 2020 Reserve Fund if the amount on deposit in the 2020 Reserve Fund, following the proposed transfer, is at least equal to the 2020 Reserve Requirement, and amounts in any other reserve account for Parity Bonds that are not 2020 Related Parity Bonds to the extent permitted by the Supplemental Agreement;

(B) Amounts on deposit in the Administrative Expense Fund; and

(C) Any other funds available to the City related to Improvement Area No. 1, including amounts advanced by the City, in its sole discretion, to be repaid by funds related to Improvement Area No. 1 as soon as practicable from amounts described in the preceding clauses (A) and (B).

Section 18.02. Private Activity Bond Limitations. The City shall assure that the proceeds of the Series 2020 Bonds are not so used as to cause the Series 2020 Bonds to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Code.

Section 18.03. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2020 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

Section 18.04. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the Series 2020 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2020 Bonds would have caused the Series 2020 Bonds to be "arbitrage bonds" within the meaning of section 148 of the Tax Code.

Section 18.05. Yield of the Series 2020 Bonds. In determining the yield of the Series 2020 Bonds to comply with Sections 8.01 and 18.04, the City will take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing Date, regarding prepayments of Special Taxes and use of prepayments for redemption of the Series 2020 Bonds, without regard to whether or not prepayments are received or 2020 Bonds redeemed.

18.06. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Series 2020 Bonds from the gross income of the Owners of the Series 2020 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the date of issuance of the Series 2020 Bonds.

Section 18.07. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default for the purposes of this Agreement. However, any Owner or Beneficial Owner of the Series 2020 Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

One or more owners of the real property in Improvement Area No. 1 as of the Closing Date may also have executed a continuing disclosure agreement for the benefit of the holders and Beneficial Owners of the Series 2020 Bonds. Any Participating Underwriter or Holder or Beneficial Owner may take such actions as may be necessary and appropriate directly against any such landowner to compel performance by it of its obligations thereunder, including seeking mandate or specific performance by court order; however, the City shall have no obligation whatsoever to enforce any obligations under any such agreement.

ARTICLE XIX

ADDITIONAL PROVISIONS

Section 19.01. **Applicable Law.** This Second Supplement to Fiscal Agent Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 19.02. **Conflict with Act.** In the event of a conflict between any provision of this Second Supplement to Fiscal Agent Agreement and any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Second Supplement to Fiscal Agent Agreement.

Section 19.03. **Conclusive Evidence of Regularity.** Series 2020 Bonds issued pursuant to this Second Supplement to Fiscal Agent Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 19.04. **Confirmation of Original Fiscal Agent Agreement; Conflict With Original Fiscal Agent Agreement.** All representations, covenants, warranties and other provisions of the Original Fiscal Agent Agreement, unless specifically amended, modified or supplemented by this Second Supplement to Fiscal Agent Agreement, are hereby confirmed as applicable to this Second Supplement to Fiscal Agent Agreement. In the event of any conflict between the provisions of this Second Supplement to Fiscal Agent Agreement and the Original Fiscal Agent Agreement, the provisions of this Second Supplement to Fiscal Agent Agreement shall govern.

Section 19.05. **Counterparts.** This Second Supplement to Fiscal Agent Agreement may be executed in counterparts, each of which shall be deemed an original.

Remainder of page intentionally left blank. Signatures on next page.

IN WITNESS WHEREOF, the CITY OF TRACY has caused this Second Supplement to Fiscal Agent Agreement to be signed in its name by an authorized representative, and U.S. BANK NATIONAL ASSOCIATION, has caused this Second Supplement to Fiscal Agent Agreement to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

CITY OF TRACY,
for and on behalf of
CITY OF TRACY COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)

By_____
Finance Director

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By_____
Vice President

EXHIBIT A

FORM OF SERIES 2020 BOND

No. __ ***$_____***

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN JOAQUIN

IMPROVEMENT AREA NO. 1 OF THE
CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1
(TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
%	September 1, ____	_____, 2020	

REGISTERED OWNER:

PRINCIPAL AMOUNT: *********DOLLARS

The City of Tracy (the "City") for and on behalf of the "City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" (the "CFD") with respect to its "Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" ("Improvement Area No. 1"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in Improvement Area No. 1 or amounts in certain funds and accounts held under the Fiscal Agent Agreement (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless this Bond is authenticated on or before an Interest Payment Date (as hereinafter defined) and after the close of business on the fifteenth day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to the first Interest Payment Date, in which event it shall bear interest from the Dated Date identified above, payable semiannually on each March 1 and September 1, commencing March 1, 2021 (each an "Interest Payment Date"), at the interest rate set forth above, until the principal amount hereof is paid or made available for payment provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

Principal of and interest on the Bonds (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Fiscal Agent (defined below) mailed by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of $1,000,000 or more in aggregate principal amount of Bonds delivered to the Fiscal Agent prior to the applicable Record Date. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent or such other place as designated by the Fiscal Agent.

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of $_____ approved by resolutions of the City Council of the City adopted on July 19, 2016, July 17, 2018 and _____, 2020 (the "Resolution"), under the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, *et seq.*, of the California Government Code (the "Act") for the purpose of funding certain facilities, and is one of the series of bonds designated "Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020" (the "Bonds").

The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of August 1, 2018 (the "Original Fiscal Agent Agreement"), between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), as supplemented, including by a Second Supplement to Fiscal Agent Agreement, dated as of November 1, 2020 (the "Second Supplement to Fiscal Agent Agreement," and together with the Original Fiscal Agent Agreement, as supplemented, the "Fiscal Agent Agreement"), and this reference incorporates the Fiscal Agent Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Fiscal Agent Agreement is authorized under, this Bond is issued under and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act, the Resolution and the Fiscal Agent Agreement, the principal of and interest on this Bond are payable solely from the annual special tax authorized under the Act to be collected within Improvement Area No. 1 (the "Special Tax") and certain funds held under the Fiscal Agent Agreement on a parity with two outstanding series of bonds: (i) the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2018 and (ii) the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2019. Any tax for the payment hereof shall be limited to the Special Tax, except to the extent that provision for payment has been made by the City, as may be permitted by law. The Bonds do not constitute obligations of the City for which the City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than described herein. Neither the faith and credit nor the taxing power of the City (except to the limited extent set forth in the Fiscal Agent Agreement) or the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Optional Redemption. The Bonds maturing on or after September 1, ____ are subject to optional redemption, as directed by the City, from sources of funds other than prepayments of Special Taxes, prior to their stated maturity on any date on or after September 1, ____as a whole or in part, at a redemption prices (expressed as a percentage of the principal amount of the Series 2020 Bonds to be redeemed) set forth below, together with accrued interest thereon to the date fixed for redemption:

Redemption Dates	Redemption Price
September 1, ____through August 31, ____	103%
September 1, ____through August 31, ____	102
September 1, ____through August 31, ____	101
September 1, ____through any date thereafter	100

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, ____, the Bonds maturing on September 1, ____, the Bonds maturing on September 1, ____, the Bonds maturing on September 1, ____, the Bonds maturing on September 1, ____and the Bonds maturing on September 1, ____, are subject to mandatory redemption in part by lot, from Sinking Fund Payments made by the City from the Bond Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on the dates set forth in the following table:

Series 2020 Bonds Maturing September 1, ____

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1,

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1, ____

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1, ____

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1, ____

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Series 2020 Bonds Maturing September 1, ____

Sinking Fund Redemption Date (September 1)	Principal Amount To be Redeemed ($)

Provided, however, if some but not all of the Term Bonds of a given maturity have been redeemed as a result of an optional redemption or a mandatory redemption, the total amount of all future Sinking Fund Payments relating to such maturity shall be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in integral multiples of $5,000 as determined by the Fiscal Agent, notice of which determination shall be given by the Fiscal Agent to the City.

Redemption From Special Tax Prepayments. Special Tax Prepayments and any corresponding transfers from the 2020 Reserve Fund shall be used to redeem Bonds on the next Interest Payment Date for which notice of redemption can timely be given, among maturities so as to maintain substantially the same debt service profile for the Bonds as in effect prior to such redemption and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

Redemption Dates	Redemption Price
Any Interest Payment Date beginning March 1, 2021 and continuing to and including March 1, ____	103%
September 1, ____and March 1, ____	102
September 1, ____and March 1, ____	101
September 1, ____and any Interest Payment Date thereafter	100

Notice of redemption with respect to the Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Fiscal Agent Agreement.

This Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Fiscal Agent shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Fiscal Agent for selection of Bonds for redemption or (ii) with respect to a Bond after such Bond has been selected for redemption.

The Fiscal Agent Agreement and the rights and obligations of the City thereunder may be modified or amended as set forth therein. The principal of the Bonds is not subject to acceleration upon a default under the Fiscal Agent Agreement or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the City that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Fiscal Agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, City of Tracy has caused this Bond to be signed by the facsimile signature of its Finance Director and countersigned by the facsimile signature of the Clerk.

Clerk	Finance Director

[FORM OF FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the Fiscal Agent Agreement which has been authenticated on _____, 2020.

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____ _____, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor.

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Fiscal Agent

EXHIBIT B

FORM OF 2020 COSTS OF ISSUANCE FUND REQUISITION

IMPROVEMENT AREA NO. 1 OF THE
CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1
(TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM 2020 COSTS OF ISSUANCE FUND

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting Finance Director of the City of Tracy, a general law city duly organized and existing under the laws of the State of California (the "City") and as such, am familiar with the facts herein certified and am authorized to certify the same;

(ii) I am an "Authorized Officer," as such term is defined in that certain Fiscal Agent Agreement (the "Original Fiscal Agent Agreement"), dated as of August 1, 2018 by and between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), as supplemented, including by a Second Supplement to Fiscal Agent Agreement, dated as of November 1, 2020 (the "Second Supplement to Fiscal Agent Agreement," and together with the Original Fiscal Agent Agreement, as supplemented, the "Fiscal Agent Agreement"), between the City and the Fiscal Agent;

(iii) under Section 17.03(B) of the Second Supplement to Fiscal Agent Agreement, the undersigned hereby requests and authorizes the Fiscal Agent to disburse from the 2020 Costs of Issuance Fund (the "Costs of Issuance Fund") established under the Second Supplement to Fiscal Agent Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of Costs of Issuance (as that term is defined in the Fiscal Agent Agreement) as described on the attached Schedule A;

(iv) the disbursements described on the attached Schedule A constitute Costs of Issuance, and are properly chargeable to the Costs of Issuance Fund.

Dated: _____ CITY OF TRACY

By: _____
Finance Director

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Amount

Stradling Yocca Carlson & Rauth
Draft dated 10/13/20

$_____
IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

BOND PURCHASE AGREEMENT

_____, 2020

City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Ladies and Gentlemen:

Piper Sandler & Co., as underwriter (the "Underwriter"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the City of Tracy (the "City"), which upon acceptance will be binding upon the Underwriter and the City. This offer is made subject to the City's acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 8:00 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Fiscal Agent Agreement (the "Original Fiscal Agent Agreement"), dated as of August 1, 2018, as supplemented by the First Supplement to Fiscal Agent Agreement dated as of August 1, 2019 (the "First Supplement"), and by a Second Supplement to Fiscal Agent Agreement dated as of November 1, 2020 (the "Second Supplement", and together with the Original Fiscal Agent Agreement and the First Supplement, the "Fiscal Agent Agreement"), each by and between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent").

1. **Purchase, Sale and Delivery of the Bonds**.

A. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the City and the City hereby agrees to sell to the Underwriter all (but not less than all) of the $_____ aggregate principal amount of the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "Bonds"), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be $_____ (being 100% of the aggregate principal amount thereof plus an original issue premium of $_____ and less an Underwriter's discount of $_____).

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Special Tax Revenues on a parity with the City's Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2018 (the "2018 Bonds") and the City's Improvement Area No. 1 of the

City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2019 (the "2019 Bonds"), and as provided in the Fiscal Agent Agreement, the Preliminary Official Statement (as hereinafter defined), and the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the Government Code of the State of California (the "Act"). The issuance of the Bonds has been duly authorized by the City pursuant to Resolution No. 2016-161, adopted on July 19, 2016, as supplemented by Resolution No. 2018-150 adopted on July 17, 2018, by Resolution No. 2019-145, adopted on July 2, 2019, and by Resolution No. 2020-___, adopted on _____, 2020 (collectively, the "Approving Resolution").

The net proceeds of the Bonds will be used, as indicated in the Fiscal Agent Agreement, for the following purposes: (1) paying costs of issuance of the Bonds; (2) funding the 2020 Reserve Fund; (3) providing funds for the acquisition of certain public facilities; and (4) providing funds to pay interest on the Bonds through _____, 20__.

Prior to the acceptance of this Purchase Agreement by the City, the City shall have caused to be delivered to the Underwriter (i) a Letter of Representations duly executed by Tracy Phase I, LLC, a Delaware limited liability company (the "Developer") in substantially the form set forth in Exhibit B-1 hereto, with only such changes thereto as shall have been accepted by the Underwriter, and (ii) Letters of Representations duly executed by each of Lennar Homes of California, Inc. ("Lennar"), Meritage Homes of California, Inc., and Shea Homes Limited Partnership (each, a "Builder" and, collectively, the "Builders"), each in substantially the form set forth in Exhibit B-2 hereto, with only such changes thereto as shall have been accepted by the Underwriter.

B. The City acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations and agreements made by the City herein, and the City shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation or agreement made by the City herein is incorrect in any material respect.

The City acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); and (iv) the City has consulted its own legal, financial and other advisors to the extent that the City has deemed appropriate.

C. Pursuant to the authorization of the City, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2020, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the "Preliminary Official Statement." By its acceptance of this Purchase Agreement, the City hereby ratifies the use by the Underwriter of the Preliminary Official Statement and the preparation and distribution of the final Official Statement (together with any supplements thereto, the "Official Statement") consisting of the Preliminary Official Statement with such changes as are noted thereon

and as may be made thereto, with the approval of Jones Hall, A Professional Law Corporation, the City's Bond Counsel ("Bond Counsel") and Disclosure Counsel ("Disclosure Counsel") and the Underwriter. The City agrees to execute the Official Statement and to provide a copy thereof to the Underwriter as set forth in Section 5.E.1. hereof. The City hereby authorizes and requires the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The City further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Fiscal Agent Agreement, this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

D. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), the City will undertake pursuant to the Continuing Disclosure Certificate, in the form attached to the Official Statement as Appendix G (the "Continuing Disclosure Certificate"), to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

E. Except as the Underwriter and the City may otherwise agree, the City will deliver to the Underwriter, at the offices of Bond Counsel in San Francisco, California, or at such other location as may be mutually agreed upon by the Underwriter and the City, the documents hereinafter mentioned; and the City will deliver to the Underwriter through the facilities of The Depository Trust Company ("DTC") in New York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the City and authenticated by the Fiscal Agent in the manner provided for in the Fiscal Agent Agreement and the Act at 8:00 a.m. California time, on [_____], 2020 (the "Closing Date"), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

2. **Public Offering and Establishment of Issue Price**.

A. The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices.

B. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit F, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this section to establish the issue price of the Bonds may be

taken on behalf of the City by CSG Advisors Incorporated (the "Municipal Advisor") and any notice or report to be provided to the City may be provided to the Municipal Advisor.

C. Except as otherwise set forth in Exhibit A, the City will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

D. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or

2. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

E. The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to: (1) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on: (A) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group

agreement and the related pricing wires; and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

F. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

1. "public" means any person other than an underwriter or a related party;

2. "underwriter" means: (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

3. a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. "sale date" means the date of execution of this Purchase Agreement by all parties.

3. **Representations and Covenants of the City**. The City represents and covenants to the Underwriter that:

A. The City is duly organized and validly existing as a municipal corporation under the Constitution and laws of the State of California, and has duly authorized the formation of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "Community Facilities District") and Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) ("Improvement Area No. 1") pursuant to resolutions and an ordinance duly adopted by the City Council (collectively, the "Community Facilities District Formation Resolution"). Subsequent to the formation of the District and Improvement Area No. 1, the City Council, as the legislative body of the City and the Community Facilities District, adopted resolutions (collectively, the "Change Proceedings Resolutions" and, together with the Community Facilities District Formation Resolution and the Approving Resolution authorizing the issuance and sale of the Bonds,

the "City Resolutions") pursuant to the Act to: (i) increase the bonded indebtedness limit for Improvement Area No. 1 to $80,000,000, (ii) increase the bonded indebtedness limit for the Future Annexation Area (as defined in the Official Statement) to $305,000,000, (iii) increase the appropriations limit for Improvement Area No. 1 to $80,000,000, (iv) amend the boundaries of the Community Facilities District, Improvement Area No. 1 and Future Annexation Area, and (v) amend the rate and method of apportionment of special tax for Improvement Area No. 1 (as amended, the "Rate and Method").

The City Council, as the legislative body of the City and the Community Facilities District, (i) has duly adopted the City Resolutions, (ii) has duly adopted Ordinance No. 1224 of the City on August 16, 2016, and Ordinance No. 1260 of the City on August 21, 2018, levying special taxes within the Community Facilities District (together, the "Ordinance"), and (iii) has caused to be recorded in the real property records of San Joaquin County a notice of special tax lien (the "Amended Notice of Special Tax Lien") (the Community Facilities District Formation Resolution, the Change Proceedings Resolutions, the Ordinance, the Rate and Method, and the Amended Notice of Special Tax Lien are collectively referred to herein as the "Formation Documents").

Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended, except to the extent set forth therein. The Community Facilities District is duly organized and validly existing as a Community Facilities District under the laws of the State of California. The City has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under the Fiscal Agent Agreement and this Purchase Agreement, and to carry out all transactions contemplated by each of such agreements; (ii) to issue, sell and deliver its Bonds to the Underwriter; (iii) to enter into the Continuing Disclosure Certificate; and (iv) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Fiscal Agent Agreement, the Continuing Disclosure Certificate, this Purchase Agreement, the Bonds and the Official Statement.

This Purchase Agreement, the Fiscal Agent Agreement, the Bonds and the Continuing Disclosure Certificate are collectively referred to herein as the "City Documents."

B. The City has complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the City Documents, and any immaterial noncompliance by the City, if any, will not impair the ability of the City to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the City will continue to comply with the covenants of the City contained in the City Documents.

C. Except as described in the Preliminary Official Statement, the City is not, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, and the execution and delivery and the performance of its obligations under the City Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the City pursuant to the City Documents, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States of America, or of any department, division, agency or

instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the City of its obligations under the City Documents or the performance of the conditions precedent to be performed by the City pursuant to the City Documents.

D. Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City of its obligations under the City Documents, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

E. The City Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement.

F. The Bonds are payable from the Special Tax Revenues generated by the levy of special taxes in Improvement Area No. 1 (the "Special Taxes"), as set forth in the Fiscal Agent Agreement. The levy of the Special Taxes has been duly and validly authorized pursuant to the Act and, subject to the maximum rate of Special Taxes in the Rate and Method and the application of the Special Tax Revenues as set forth in the Fiscal Agent Agreement, the levy of the Special Taxes within Improvement Area No. 1 will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the 2018 Bonds, the 2019 Bonds and the Bonds when due and payable, all as provided in the Fiscal Agent Agreement. The City has covenanted in the Fiscal Agent Agreement to cause the Special Taxes to be levied and collected at the same time and in the same manner as ordinary *ad valorem* property taxes.

G. The Fiscal Agent Agreement creates a valid pledge of, first lien upon and security interest in, the Special Tax Revenues, and in the moneys in the Special Tax Fund established pursuant to the Fiscal Agent Agreement, on the terms and conditions set forth in the Fiscal Agent Agreement.

H. Except as disclosed in the Preliminary Official Statement, there are, to the best of the City's knowledge, no entities with outstanding assessment liens against any of the properties within Improvement Area No. 1 or which are senior to or on a parity with the Special Taxes referred to in paragraph (G) hereof.

I. The information contained in the Preliminary Official Statement and in the Official Statement (other than statements therein pertaining to DTC and its book-entry system and under the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT" (except for the information under the subcaptions"—Regional Transportation Impact Fee Ongoing Dispute" and "—Development Plan for Improvement Area No. 1 — Conditions of Approval," excluding information related to the Developer's planning, budgeting and status and timing of construction and completion and the Jefferson School District facilities and the Welcome Center) as to which no view is expressed) does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (J) below), the Official Statement

will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

J. Up to and including 25 days after the End of the Underwriting Period, the City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

K. At the time of acceptance hereof there is and as of the Closing there will be no action pending (notice of which has been served on the City) or to the best knowledge of the City threatened, in which any such action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the City to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Tax Revenues or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City contemplated thereby; (iii) contests the exemption of interest on the Bonds from federal or State income taxation or contests the powers of the City or the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and as of the time of acceptance hereof there is and, as of the Closing Date, there will be no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

L. Any certificate signed on behalf of the City by any officer or employee of the City authorized to do so shall be deemed a representation by the City to the Underwriter as to the statements made therein.

M. At or prior to the Closing, the City will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as Appendix G to the Official Statement. Except as disclosed in the Preliminary Official Statement, the City has not failed to comply in all respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events in the last five years.

N. The City will apply the proceeds of its Bonds in accordance with the Fiscal Agent Agreement.

O. Between the date of the Purchase Agreement and the date of Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money payable or secured by Special Taxes, except as previously disclosed to the Underwriter.

The execution and delivery of this Purchase Agreement by the City shall constitute a representation to the Underwriter that the representations contained in this Section 3 are true as of the date hereof.

4. [**Reserved**].

5. **Conditions to the Obligations of the Underwriter**. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations on the part of the City contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the City made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City of its obligations to be performed hereunder at or prior to the Closing Date and, to the following additional conditions:

A. At the Closing Date, the City Resolutions, the Formation Documents, and the City Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as was described in the Official Statement, the City shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, and the execution and delivery and the performance by the City of its obligations under the City Documents, the City Resolutions and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the City of its obligations under the City Documents or the City Resolutions.

C. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

D. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the inside cover page of the Official Statement, of the Bonds shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the City terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement are not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

3. A general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by Federal, State of New York or State of California officials authorized to do so;

4. The introduction, proposal or enactment of any amendment to the Federal or California Constitutions or any action by any Federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of Special Taxes as contemplated by the Official Statement;

5. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

6. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

7. There shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it impracticable, in the judgment of the Underwriter, following consultation with the City, to sell the Bonds;

8. The filing or threat of an Action described Section 3.K hereof; or

9. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City.

E. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the City by its Finance Director or other authorized officer;

2. The City Documents, duly executed and delivered by all parties thereto;

3. The City Resolutions, together with a certificate dated as of the Closing Date of the City Clerk to the effect that the City Resolutions are true, correct and complete copies of the City Resolutions duly adopted by the City Council;

4. The Formation Documents, together with a certificate dated as of the Closing Date of the City Clerk to the effect that the Formation Documents are true, correct and complete copies of the Formation Documents duly adopted by the City Council;

5. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the City, of Bond Counsel, in substantially the form included as Appendix F to the Official Statement;

6. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, in substantially the form attached hereto as Exhibit D;

7. A letter of Disclosure Counsel addressed to the Underwriter, to the effect that, no facts have come to attention of Disclosure Counsel that have caused such counsel to believe that the Official Statement (except for the following items, which are expressly excluded from the scope of this sentence: any financial, statistical and demographic data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, the appraisal, and information regarding DTC and its book-entry only system, that is contained or incorporated by reference in the Official Statement and the appendices to the Official Statement) as of its date or the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state any material

fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

8. A letter from Holland & Knight LLP, counsel to the Developer, dated the Closing Date and addressed to the Underwriter and the City, substantially in the form attached hereto as Exhibit E-1;

9. A letter from Holland & Knight LLP, counsel to Lennar, dated the Closing Date and addressed to the Underwriter and the City, substantially in the form attached hereto as Exhibit E-2;

10. An opinion of counsel to Lennar dated as of the Closing Date and addressed to the Underwriter as to the due authorization, execution, delivery and validity of the Lennar Continuing Disclosure Certificate (as defined below), in form and substance acceptable to the Underwriter

11. A certificate dated the Closing Date and signed by an authorized representative of the City or an authorized designee, on behalf of the City to the effect that: (i) the representations made by the City contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, provided that any references as to the Preliminary Official Statement shall be deemed to be to the Official Statement; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the City has complied with all the agreements and satisfied all the conditions on its part to be satisfied under the City Documents prior to the Closing Date;

12. An opinion of the City Attorney of the City, dated the date of Closing and addressed to the Underwriter and the City, to the effect that:

(i) The City is a municipal corporation, corporate and politic, duly organized and existing under the Constitution and laws of the State of California;

(ii) The City Resolutions and the Formation Documents have been duly adopted at a meeting of the City Council, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the City Resolutions and the Formation Documents are in full force and effect and have not been modified, amended, rescinded or repealed since the date of their adoption;

(iii) The City Documents and the Official Statement have been duly authorized, executed and delivered by the City and the City Documents constitute the legal, valid and binding obligations of the City enforceable against the City in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

(iv) To the best knowledge of such counsel, the execution and delivery of the City Documents and the Official Statement and compliance with the provisions

thereof under the circumstances contemplated thereby: (a) do not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound; and (b) do not and will not in any material respect or constitute on the part of the City a violation, breach of or default under any court order or consent decree to which the City is subject;

(v) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City) or, to such counsel's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the Community Facilities District, or the titles of its members and officers to their respective offices; or (b) affect the validity of the City Documents, the City Resolutions or the Formation Documents, or restrain or enjoin the repayment of the Bonds or in any way contest or affect the validity of the City Documents, the City Resolutions or the Formation Documents, or contest the authority of the City to enter into or perform its obligations under any of the City Documents, the City Resolutions or the Formation Documents, or under which a determination adverse to the City would have a material adverse effect upon the financial condition or the revenues of the City or the Community Facilities District, questions the right of the City to use Special Tax Revenues for the repayment of the Bonds or affects in any manner the right or ability of the City to collect or pledge the Special Taxes levied within Improvement Area No. 1 for the repayment of the Bonds;

13. A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds, including certified copies of the Fiscal Agent Agreement and all resolutions of the City relating thereto;

14. A certificate dated the Closing Date from Goodwin Consulting Group, Inc. addressed to the City and the Underwriter to the effect that: (i) the Special Taxes (after payment of estimated Administrative Expenses) if collected in the maximum amounts permitted pursuant to the Rate and Method as of the Closing Date would generate at least 110% of the annual debt service payable with the 2018 Bonds, 2019 Bonds, and the Bonds in each year, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements in the Official Statement provided by Goodwin Consulting Group, Inc. concerning the Special Taxes and the Rate and Method and all information supplied by it for use in the Official Statement as of the date of the Official Statement and as of the Closing Date did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

15. Certified copies of the general resolution of the Fiscal Agent authorizing the execution and delivery of certain documents by certain officers of the Fiscal Agent, which resolution authorizes the execution of the Fiscal Agent Agreement and the authentication of the Bonds;

16. A certificate of the Fiscal Agent, addressed to the Underwriter and the City dated the Closing Date, to the effect that: (i) the Fiscal Agent is authorized to carry out corporate trust powers, and have full power and authority to perform its duties under the Fiscal Agent Agreement; (ii) the Fiscal Agent is duly authorized to execute and deliver the Fiscal Agent Agreement, to accept the obligations created by the Fiscal Agent Agreement and to authenticate the Bonds pursuant to the terms of the Fiscal Agent Agreement; (iii) no consent, approval, authorization

or other action by any governmental or regulatory authority having jurisdiction over the Fiscal Agent that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Fiscal Agent of the other transactions contemplated to be performed by the Fiscal Agent in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Fiscal Agent Agreement; and (iv) to the best of its knowledge, compliance with the terms of the Fiscal Agent Agreement will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, trust agreement, bond, note, resolution or any other agreement or instrument to which the Fiscal Agent is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Fiscal Agent or any of its activities or properties;

17. An opinion of counsel to the Fiscal Agent, dated the Closing Date, addressed to the Underwriter and the City to the effect that the Fiscal Agent is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Fiscal Agent Agreement, and that the Fiscal Agent Agreement has been duly authorized, executed and delivered by the Fiscal Agent and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Fiscal Agent enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

18. A certificate of the City dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

19. An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter ("Underwriter's Counsel"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

20. A certificate of the Developer dated the Closing Date, substantially in the form attached as Exhibit C-1 hereto;

21. Certificates of each of the Builders dated the Closing Date, substantially in the form attached as Exhibit C-2 hereto;

22. A Certificate of the Appraiser, substantially in the form attached hereto as Exhibit G;

23. A Certificate of the Market Absorption Consultant, substantially in the form attached hereto as Exhibit H;

24. A continuing disclosure certificate executed and delivered by Lennar, dated as of the Closing Date in the form attached as Appendix H to the Official Statement (the "Lennar Continuing Disclosure Certificate"); and

25. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations of the City contained herein,

and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City in connection with the transactions contemplated hereby and by the Fiscal Agent Agreement and the Official Statement.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the City nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the City set forth in Section 7 hereof shall continue in full force and effect.

6. **Conditions to the Obligations of the City**. The obligations of the City shall be subject to the satisfaction of the conditions contained in Section 5 of this Purchase Agreement.

7. **Expenses**. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the City shall pay only from the proceeds of the Bonds or any other legally available funds of the City or the Community Facilities District, but only as the City and such other party providing such services may agree, all expenses and costs of the City incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, initial fees of the Fiscal Agent, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the City, costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of the City's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation and lodging of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including fees of its counsel.

8. **Notices**. Any notice of other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City of Tracy, 333 Civic Center Plaza, Tracy, California 95376, Attention: Finance Director; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co, 8880 Cal Center Drive, Suite 400, Sacramento, CA 95826, Attention: Dennis McGuire.

9. **Parties In Interest**. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

10. **Survival of Representations**. The representations of the City under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter

(or statements as to the results of such investigations) concerning such representations and statements of the City and regardless of delivery of and payment for the Bonds.

11. **Execution in Counterparts**. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. **Effective**. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

13. **No Prior Agreements**. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the City.

14. **Governing Law**. This Purchase Agreement shall be governed by the laws of the State of California.

15. **Effective Date**. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

PIPER SANDLER & CO.

By: _____
Its: Authorized Officer

Time of Execution: _____

CITY OF TRACY

By: _____
Karin Schnaider, Finance Director

EXHIBIT A

$_____
IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

Schedule of Bond Maturities, Principal Amounts, Interest Rates, Yields and Initial Offering Prices

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Initial Offering Price*	*10% Test Used*	*Hold the Price Offering Rule Used*

Optional Redemption. The Bonds maturing on or after September 1, 20__, are subject to optional redemption as directed by the City, from sources of funds other than prepayments of Special Taxes, prior to their stated maturity on any date on or after September 1, 20__, as a whole or in part, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth below, together with accrued interest thereon to the date fixed for redemption:

Redemption Dates	**Redemption Price**
September 1, ____ through August 31, ____	
September 1, ____ through August 31, ____	
September 1, ____ through August 31, ____	
September 1, ____ and any date thereafter	

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the "20__ Term Bonds"), will also be subject to mandatory redemption in part by lot, from Sinking Fund Payments made by the City from the Bond Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as set forth in the table below; provided, however, if some but not all of the 20__ Term Bonds of a given maturity have been redeemed through optional redemption or mandatory prepayment redemption as described above and below, the total amount of all future Sinking Fund Payments relating to such maturity will be reduced by the aggregate principal amount of 20__ Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments as directed by the City.

Sinking Fund Redemption Date (September 1)	**Sinking Fund Payments**
	$
(maturity)	

The Bonds maturing on September 1, 20__ (the "20__ Term Bonds"), will also be subject to mandatory redemption in part by lot, from Sinking Fund Payments made by the City from the Bond Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts, as set forth in the table below; provided, however, if some but not all of the 20__ Term Bonds of a given maturity have been redeemed through optional redemption or mandatory prepayment redemption as described above and below, the total amount of all future Sinking Fund Payments relating to such maturity will be reduced by the aggregate principal amount of 20__ Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments as directed by the City.

Sinking Fund Redemption Date (September 1)	**Sinking Fund Payments**
	$
(maturity)	

Redemption from Special Tax Prepayments. Special Tax Prepayments and any corresponding transfers from the 2020 Reserve Fund will be used to redeem Bonds on the next Interest Payment Date for which notice of redemption can timely be given under the Fiscal Agent Agreement, among maturities so as to maintain substantially the same debt service profile for the Bonds as in effect prior to such redemption and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed), as set forth below, together with accrued interest to the date fixed for redemption:

Redemption Dates	**Redemption Price**
Any Interest Payment Date on or before March 1, ____	
September 1, ____ and March 1, ____	
September 1, ____ and March 1, ____	
September 1, ____ and any Interest Payment Date thereafter	

EXHIBIT B-1

IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

LETTER OF REPRESENTATIONS OF
TRACY PHASE I, LLC

[_____], 2020

City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Piper Sandler & Co.
8880 Cal Center Drive, Suite 400
Sacramento, California 95826

Ladies and Gentlemen:

Reference is made to the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "Bonds") and to the Bond Purchase Agreement to be entered into in connection therewith (the "Purchase Agreement"). This Letter of Representations of Tracy Phase I, LLC (the "Letter of Representations") is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Tracy Phase I, LLC, a Delaware limited liability company (the "Developer"), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is a limited liability company validly existing and in good standing as a limited liability company under the laws of the State of Delaware and is duly registered to transact intrastate business in the State of California as a foreign limited liability company and is in good standing in the State of California and has all requisite limited liability company right, power and authority: (i) to execute and deliver this Letter of Representations; and (ii) to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, certain property within Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "Improvement Area") is held in the name of the Developer (herein the "Property"). The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property.

3. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned (defined below), (a) the Developer and its Affiliates are not in breach of or in default under any applicable judgment or decree or any loan agreement, option agreement, development agreement, indenture, fiscal agent agreement, bond or note (collectively, the "Material Agreements") to which the Developer or its Affiliates are a party or otherwise subject, which breach or default could reasonably be expected to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency, and (b) no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default.

4. To the Actual Knowledge of the Undersigned, neither the Developer, nor any of its Affiliates is in default on any obligation to repay borrowed money, which default is reasonably likely to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency.

5. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, is pending against any current Affiliate (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Developer or any such Affiliate which if successful, is reasonably likely to materially and adversely affect the Developer's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency.

6. As of the date thereof, the Preliminary Official Statement, solely with respect to information contained therein with respect to the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) as set forth under the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT" (but specifically excluding any information under the captions "—The Merchant Builders," "Lennar Homes," "—Meritage," and "—Shea" for which no certification is made) (but excluding any information cited as coming from a source other than the Developer) is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

7. The Developer covenants that, while the 2018 Bonds, 2019 Bonds, and the Bonds or any refunding obligations related thereto are outstanding, the Developer and its Affiliates which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District or the Improvement Area, to challenge the adoption of ordinance(s) of the City levying Special Taxes within the Improvement Area, to invalidate the Community Facilities District or the Improvement Area or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and

Highways Code based on recordation of the amended notice of special tax lien relating thereto. The foregoing covenant shall not prevent the Developer in any way from bringing any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body including, without limitation, (a) an action or suit contending that the Special Taxes have not been levied in accordance with the methodologies contained in the Community Facilities District's Amended and Restated Rate and Method of Apportionment of Special Tax Revenues pursuant to which the Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes levied and collected, (c) the enforcement of the obligations of the City or the Community Facilities District under the Fiscal Agent Agreement or any agreements between the Developer and the City or the Community Facilities District or under which the Developer is a beneficiary.

8. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Developer is not aware that any other public debt secured by a tax or assessment on the Property exists or is in the process of being authorized or any assessment districts or community facilities districts have been or are in the process of being formed that include any portion of the Property.

9. To the Actual Knowledge of the Undersigned, neither the Developer nor any Affiliate has been delinquent to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property owned by the Developer or any Affiliate within the boundaries of a community facilities district or an assessment district within California that (a) would have caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being commenced in a court of law against the Developer or any such Affiliate.

10. The Developer intends to comply with the provision of the Mello-Roos Act of 1982, as amended, relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

11. To the Actual Knowledge of the Undersigned, the Developer is able to pay its bills as they become due and no legal proceedings are pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Developer may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

12. To the Actual Knowledge of the Undersigned, Affiliates of the Developer are able to pay their bills as they become due and no legal proceedings are pending against any Affiliates of the Developer (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Affiliates of the Developer may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debts or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

13. If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the

Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 6 hereof, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the undersigned shall notify the City and the Underwriter and if in the opinion of counsel to the City or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Developer shall reasonably cooperate with the City in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance reasonably satisfactory to counsel to the City and to the Underwriter.

14. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached to the Purchase Agreement as Exhibit C-1.

15. As used in this Letter of Representations, the term "Actual Knowledge of the Undersigned" means the knowledge that the undersigned currently has or has obtained through (i) interviews with such current officers and responsible employees of the Developer as the undersigned has reasonably determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations including the chief financial officer of the Developer or, if the Developer does not have a chief financial officer, the person who performs the functions usually associated with such officer (unless the undersigned is the chief financial officer or such person), and (ii) reviews of documents reasonably available to the undersigned and which the undersigned reasonably deemed necessary for the undersigned to execute this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer's current business and operations. The undersigned has not contacted any individuals who are no longer employed by, or associated with, the Developer.

16. As used in this Letter of Representations, the term "Affiliate" of the Developer means any person directly (or indirectly through one or more intermediaries) that exercises managerial control over the Developer or that is under managerial control of the Developer, and about whom information could be material to potential investors in their investment decision regarding the Bonds, but excludes the Builders.

17. On behalf of the Developer, I have reviewed the contents of this Letter of Representations and have met with counsel to the Developer for the purpose of discussing the meaning of its contents.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; EXECUTION PAGE FOLLOWS]

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of Developer and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Developer.

Tracy Phase I, LLC
a Delaware limited liability company

By:_____
Authorized Representative

EXHIBIT B-2

IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

LETTER OF REPRESENTATIONS OF
[NAME OF BUILDER]

_____, 2020

City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Piper Sandler & Co.
8880 Cal Center Drive, Suite 400
Sacramento, California 95826

Ladies and Gentlemen:

Reference is made to the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "Bonds") and to the Bond Purchase Agreement to be entered into in connection therewith (the "Purchase Agreement"). This Letter of Representations of [NAME OF BUILDER] (the "Letter of Representations") is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of [Name of Builder], a _____ (the "Builder"), and the undersigned, on behalf of the Builder, further certifies as follows:

1. The Builder is a [limited liability company/limited partnership] validly existing and in good standing as a [limited liability company/limited partnership] under the laws of the State of [California] and is duly registered to transact intrastate business in the State of California as a [foreign] limited liability company and is in good standing in the State of California and has all requisite right, power and authority: (i) to execute and deliver this Letter of Representations; and (ii) to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, the Builder owns certain property within Improvement Area No. 1 ("Improvement Area No. 1") of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (herein the "Property"). The undersigned, on behalf of the Builder, makes the representations herein with respect to all such Property.

3. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned (defined below), (a) the Builder and its Affiliates are not in breach of or in default under any applicable judgment or decree or any loan agreement, option agreement, development agreement, indenture, fiscal agent agreement, bond or note (collectively, the "Material Agreements") to which the Builder and its Affiliates are a party or otherwise subject, which breach or default could reasonably be expected to materially and adversely affect the Builder's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Taxes on the Property (to the extent the responsibility of the Builder) prior to delinquency, and (b) no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default.

4. To the Actual Knowledge of the Undersigned, neither the Builder nor any of its Affiliates is in default on any obligation to repay borrowed money, which default is reasonably likely to materially and adversely affect the Builder's ability complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Taxes on the Property (to the extent the responsibility of the Builder) prior to delinquency.

5. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Builder (with proper service of process to the Builder having been accomplished) or, to the Actual Knowledge of the Undersigned, is pending against any current Affiliate (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Builder or any such Affiliate which if successful, is reasonably likely to materially and adversely affect the Builder's ability to complete the development of the Property as described in the Preliminary Official Statement or to pay the Special Taxes on the Property (to the extent the responsibility of the Builder) prior to delinquency.

6. As of the date thereof, information set forth in the Preliminary Official Statement under the captions "PROPERTY OWNERSHIP AND THE DEVELOPMENT—The Merchant Builders" and "—[Name of Builder]" but, in each caption, solely as such information pertains to Builder, its Affiliates (defined below), the Property, Builder's development of the Property and Builder's contractual arrangements with respect thereto contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

7. The Builder covenants that, while the 2018 Bonds, the 2019 Bonds and the Bonds or any refunding obligations related thereto are outstanding, the Builder and its Affiliates which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District or Improvement Area No. 1, to challenge the adoption of the ordinance(s) of the City levying Special Taxes within Improvement Area No. 1, to invalidate the Community Facilities District or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the amended notice of special tax lien relating thereto. The foregoing covenant shall not prevent the Builder in any way from bringing any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body including, without limitation, (a) an action or suit contending that the Special Taxes have not been levied in accordance with the methodologies contained in the Community Facilities District's

Amended and Restated Rate and Method of Apportionment of Special Taxes pursuant to which the Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes levied and collected, or (c) the enforcement of the obligations of the City or the Community Facilities District under the Fiscal Agent Agreement or any agreements between the Builder and the City or the Community Facilities District or under which the Builder is a beneficiary.

8. To the Actual Knowledge of the Undersigned, neither the Builder nor any Affiliate has been delinquent to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property owned by the Builder or any Affiliate within the boundaries of a community facilities district or an assessment district within California that (a) would have caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being commenced in a court of law against the Builder or any such Affiliate.

9. To the Actual Knowledge of the Undersigned, the Builder is able to pay its bills as they become due and no legal proceedings are pending against the Builder (with proper service of process to the Builder having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Builder may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

10. To the Actual Knowledge of the Undersigned, Affiliates of the Builder are able to pay their bills as they become due and no legal proceedings are pending against any Affiliates of the Builder (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Affiliates of the Builder may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debts or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

11. If between the date hereof and the Closing Date any event relating to or affecting the Builder, its Affiliates, ownership of the Property, the Builder's development plan, the Builder's financing plan, the Builder's lenders, if any, and contractual arrangements of the Builder or any Affiliates (including, if material to the Builder's development plan or the Builder's financing plan, other loans of such Affiliates) shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 6 hereof, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the undersigned shall notify the City and the Underwriter and if in the opinion of counsel to the City or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Builder shall reasonably cooperate with the City in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance reasonably satisfactory to counsel to the City and to the Underwriter.

12. The Builder agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached to the Purchase Agreement as Exhibit C-2.

13. As used in this Letter of Representations, the term "Actual Knowledge of the Undersigned" means the knowledge that the undersigned currently has or has obtained through (i) interviews with such current officers and responsible employees of the Builder as the undersigned has reasonably determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations including the chief financial officer of the Builder or, if the Builder does not have a chief financial officer, the person who performs the functions usually associated with such officer (unless the undersigned is the chief financial officer or such person), and (ii) reviews of documents reasonably available to the undersigned and which the undersigned reasonably deemed necessary for the undersigned to execute this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Builder's current business and operations. The undersigned has not contacted any individuals who are no longer employed by, or associated with, the Builder.

14. As used in this Letter of Representations, the term "Affiliate" of Builder means any person directly (or indirectly through one or more intermediaries) under managerial control of Builder, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including, without limitation, information relevant to the proposed development of the Property, or to Builder's ability to pay the Special Taxes on the Property (to the extent the responsibility of the Builder) prior to delinquency).

15. On behalf of the Builder, I have reviewed the contents of this Letter of Representations and have met with counsel to the Builder for the purpose of discussing the meaning of its contents.

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of Builder and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Builder.

[Name of Builder]
a _____

By:_____
Authorized Representative

EXHIBIT C-1

$_____
IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

CLOSING CERTIFICATE OF TRACY PHASE I, LLC

_____, 2020

City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Piper Sandler & Co.
8880 Cal Center Drive, Suite 400
Sacramento, California 95826

Ladies and Gentlemen:

Reference is made to the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "Bonds") and to the Bond Purchase Agreement, dated _____, 2020 (the "Purchase Agreement"), entered into in connection therewith. This Closing Certificate of Tracy Phase I, LLC (the "Closing Certificate") is delivered by Tracy Phase I, LLC, a Delaware limited liability company (the "Developer") pursuant to the Purchase Agreement. Capitalized terms used herein or in the Letter of Representations (defined below) and not otherwise defined have the meanings ascribed to them in the Purchase Agreement. A copy of a Letter of Representations of Tracy Phase I, LLC (the "Letter of Representations"), dated _____, 2020, delivered by the Developer, is attached hereto as Exhibit A.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement relating to the Bonds. Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 6 of the Letter of Representations relating to the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) which should be disclosed in the Official Statement for the purposes for which it is to be used in

order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "End of the Underwriter Period" as defined in the Purchase Agreement to mean the Closing Date unless otherwise notified in writing by the Underwriter, if any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the City, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Developer shall reasonably cooperate with the City and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

4. The undersigned has executed this Closing Certificate solely in his or her capacity as an officer of Developer and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Developer.

Tracy Phase I, LLC
a Delaware limited liability company

By: _____
Authorized Representative

EXHIBIT C-2

$_____
IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

CLOSING CERTIFICATE OF [NAME OF BUILDER]

_____, 2020

City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Piper Sandler & Co.
8880 Cal Center Drive, Suite 400
Sacramento, California 95826

Ladies and Gentlemen:

Reference is made to the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "Bonds") and to the Bond Purchase Agreement, dated _____, 2020 (the "Purchase Agreement"), entered into in connection therewith. This Closing Certificate of [NAME OF BUILDER] is delivered by [Name of Builder], a _____ (the "Builder") pursuant to the Purchase Agreement. Capitalized terms used herein or in the Letter of Representations (defined below) and not otherwise defined have the meanings ascribed to them in the Purchase Agreement. A copy of a Letter of Representations of [NAME OF BUILDER] (the "Letter of Representations"), dated _____, 2020, delivered by the Builder, is attached hereto as Exhibit A.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Builder, and the undersigned, on behalf of the Builder, further certifies as follows:

1. The Builder has received the final Official Statement relating to the Bonds. Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 6 of the Letter of Representations relating to the Builder, its Affiliates, ownership of the Property, the Builder's development plan, the Builder's financing plan, the Builder's lenders, if any, and contractual arrangements of the Builder or any Affiliates (including, if material to the Builder's development plan or the Builder's financing plan, other loans of such Affiliates) which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such

statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "End of the Underwriter Period" as defined in the Purchase Agreement to mean the Closing Date unless otherwise notified in writing by the Underwriter, if any event relating to or affecting the Builder, its Affiliates, ownership of the Property, the Builder's development plan, the Builder's financing plan, the Builder's lenders, if any, and contractual arrangements of the Builder or any Affiliates (including, if material to the Builder's development plan or the Builder's financing plan, other loans of such Affiliates) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the City, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Builder shall reasonably cooperate with the City and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

4. The undersigned has executed this Closing Certificate solely in his or her capacity as an officer of Builder and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Builder.

[Name of Builder]
a _____

By: _____
Authorized Representative

EXHIBIT D

SUPPLEMENTAL OPINION OF BOND COUNSEL

[BOND COUNSEL TO PROVIDE]

EXHIBIT E-1

NEGATIVE ASSURANCE LETTER FOR TRACY PHASE I, LLC

_____, 2020

City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Piper Sandler & Co.
8880 Cal Center Drive, Suite 400
Sacramento, California 95826

Re: $_____ Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020

Ladies and Gentlemen:

We have acted as special counsel to Tracy Phase I, LLC, a Delaware limited liability company (the "Developer") in connection with the development of certain property owned by the Developer (the "Property") located within the boundaries of Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "Improvement Area") and in connection with the issuance and sale by the City of Tracy (the "City") of $_____ Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "Bonds"). The Bonds are described in that certain Official Statement dated _____, 2020 (the "Official Statement").

The Bonds are being sold to Piper Sandler & Co., as underwriter (the "Underwriter"), pursuant to that certain Bond Purchase Agreement, dated _____, 2020 (the "Bond Purchase Agreement"), by and between the City and the Underwriter. This letter is provided for the benefit of the City, the Community Facilities District, and the Underwriter pursuant to Section 5.E.8. of the Bond Purchase Agreement.

We advise you that we are not general counsel to the Developer and do not represent the Developer on a continuing basis. Rather, we represent the Developer as requested from time to time on specific matters.

The primary purpose of our professional engagement was not to establish or confirm factual matters or quantitative information. We are not passing upon and do not assume any responsibility for the accuracy, completeness, or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness, or fairness of any such statements. However, in our capacity as special counsel to the Developer, we reviewed the Official Statement and we met in conferences with representatives of the Developer, the Underwriter and its counsel, Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel, and others, during which conferences the contents of the Official Statement and related matters were discussed. We have reviewed only the electronic version of the Official Statement delivered to Robert M. Haight, Jr. (robert.haight@hklaw.com) on ____, 2020,

from MuniOS.com (the "Official Electronic Version"), and we assume that any printed version and all other electronic versions of the Official Statement are identical in all respects to such Official Electronic Version. Our statements herein with respect to the Official Statement do not pertain to any printed or electronic version of the Official Statement that is not identical in all respects to the Official Electronic Version. We also reviewed certain written statements of officers and other representatives of the Developer and others as to the existence and consequence of certain factual and other matters.

Based on our participation, review, and reliance as described above, we advise you that no information came to the attention of the lawyers in our firm rendering legal services in connection with such representation that caused us to believe that, as of the date of the Official Statement and as of the date hereof, the statements in the Official Statement relating to the Developer and its Affiliates, the Property and the Developer's improvement and sale of the Property under the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT" (but specifically excluding any information under the captions "—The Merchant Builders," "—Lennar Homes," "—Meritage" and "—Shea" for which no representation is made) contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no belief or view is expressed as to (a) any financial statements and other financial, statistical, economic, demographic, or engineering data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions, or expressions of opinion, or (b) any information about valuation, appraisals, market absorption, archaeological, or environmental matters). For purposes of this paragraph, "attention" refers to the conscious awareness of each of the lawyers in our firm who actively participated in rendering legal services in connection with such representation and "believe" refers to the actual, subjective, good faith belief of each of those lawyers. Please be advised that only Robert M. Haight, Jr. has rendered such legal services in connection with such representation.

We express no opinion or belief as to the applicability or effect on the subject transaction of the securities laws of the State of California or of the United States of America, including but not limited to the Securities Act of 1933, as amended.

No attorney-client relationship has existed or exists between our firm and the City, the Community Facilities District or the Underwriter in connection with the Bonds or by virtue of this letter. This letter is delivered as of the date hereof and is furnished solely for your benefit in connection with the subject transaction, and may not be relied upon for any other purpose or furnished to, used, circulated, quoted, or referred to by any other person without our prior written consent. This letter is not intended to, and may not, be relied upon by any owners of the Bonds.

Our engagement with respect to this matter has terminated as of the date hereof, and we do not undertake to advise you of any matters that may come to our attention subsequent to the date hereof that may affect the statements set forth herein.

This letter is limited to the matters expressly set forth herein, and no belief or assurance is implied or may be inferred beyond the matters expressly stated herein.

Respectfully submitted,

HOLLAND & KNIGHT LLP

NEGATIVE ASSURANCE LETTER FOR LENNAR

_____, 2020

City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Piper Sandler & Co.
8880 Cal Center Drive, Suite 400
Sacramento, California 95826

Re: $_____ Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020

Ladies and Gentlemen:

We have acted as special counsel to Lennar Homes of California, Inc., a California corporation (the "Developer") in connection with the development of certain property owned by the Developer (the "Property") located within the boundaries of Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "Improvement Area") and in connection with the issuance and sale by the City of Tracy (the "City") of $_____ Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "Bonds"). The Bonds are described in that certain Official Statement dated _____, 2020 (the "Official Statement").

The Bonds are being sold to Piper Sandler & Co., as underwriter (the "Underwriter"), pursuant to that certain Bond Purchase Agreement, dated _____, 2020 (the "Bond Purchase Agreement"), by and between the City and the Underwriter. This letter is provided for the benefit of the City, the Community Facilities District, and the Underwriter pursuant to Section 5.E.9. of the Bond Purchase Agreement.

We advise you that we are not general counsel to the Developer and do not represent the Developer on a continuing basis. Rather, we represent the Developer as requested from time to time on specific matters.

The primary purpose of our professional engagement was not to establish or confirm factual matters or quantitative information. We are not passing upon and do not assume any responsibility for the accuracy, completeness, or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness, or fairness of any such statements. However, in our capacity as special counsel to the Developer, we reviewed the Official Statement and we met in conferences with representatives of the Developer, the Underwriter and its counsel, Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel, and others, during which conferences the contents of the Official Statement and related matters were discussed. We have reviewed only the electronic version of the Official Statement delivered to Robert M. Haight, Jr. (robert.haight@hklaw.com) on _____, 2020, from MuniOS.com (the "Official Electronic Version"), and we assume that any printed version and all other electronic versions of the Official Statement are identical in all respects to such Official

Electronic Version. Our statements herein with respect to the Official Statement do not pertain to any printed or electronic version of the Official Statement that is not identical in all respects to the Official Electronic Version. We also reviewed certain written statements of officers and other representatives of the Developer and others as to the existence and consequence of certain factual and other matters.

Based on our participation, review, and reliance as described above, we advise you that no information came to the attention of the lawyers in our firm rendering legal services in connection with such representation that caused us to believe that, as of the date of the Official Statement and as of the date hereof, the statements in the Official Statement relating to the Developer and its Affiliates, the Property and the Developer's improvement and sale of the Property under the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT—Lennar Homes," and "CONTINUING DISCLOSURE—Lennar Continuing Disclosure" contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no belief or view is expressed as to (a) any financial statements and other financial, statistical, economic, demographic, or engineering data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions, or expressions of opinion, or (b) any information about valuation, appraisals, market absorption, archaeological, or environmental matters). For purposes of this paragraph, "attention" refers to the conscious awareness of each of the lawyers in our firm who actively participated in rendering legal services in connection with such representation and "believe" refers to the actual, subjective, good faith belief of each of those lawyers. Please be advised that only Robert M. Haight, Jr. has rendered such legal services in connection with such representation.

We express no opinion or belief as to the applicability or effect on the subject transaction of the securities laws of the State of California or of the United States of America, including but not limited to the Securities Act of 1933, as amended.

No attorney-client relationship has existed or exists between our firm and the City, the Community Facilities District or the Underwriter in connection with the Bonds or by virtue of this letter. This letter is delivered as of the date hereof and is furnished solely for your benefit in connection with the subject transaction, and may not be relied upon for any other purpose or furnished to, used, circulated, quoted, or referred to by any other person without our prior written consent. This letter is not intended to, and may not, be relied upon by any owners of the Bonds.

Our engagement with respect to this matter has terminated as of the date hereof, and we do not undertake to advise you of any matters that may come to our attention subsequent to the date hereof that may affect the statements set forth herein.

This letter is limited to the matters expressly set forth herein, and no belief or assurance is implied or may be inferred beyond the matters expressly stated herein.

Respectfully submitted,

HOLLAND & KNIGHT LLP

EXHIBIT F

$_____
IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. (the "**PSC**"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "**Bonds**").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) **PSC** offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I (the "**Initial Offering Prices**") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule II.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2020, by and between **PSC** and the Issuer, **PSC** has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "**hold-the-offering-price rule**"); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule I hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after _____, 2020 (the Sale Date), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the City of Tracy.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2020.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents **PSC's** interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, a Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER SANDLER & CO.

By:_____
Name:_____

Dated: _____, 2020

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES

(*Attached*)

EXHIBIT G

$_____
IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

CERTIFICATE OF APPRAISER

_____, 2020

City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Piper Sandler & Co.
8880 Cal Center Drive, Suite 400
Sacramento, California 95826

The undersigned hereby states and certifies:

1. That he is an authorized principal of Integra Realty Resources (the "Appraiser") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Appraiser has prepared an appraisal report, dated _____, 2020 (the "Appraisal Report"), on behalf of the City of Tracy (the "City") in connection with the Preliminary Official Statement, dated _____, 2020 (the "Preliminary Official Statement") and the Official Statement dated _____, 2020 ("Official Statement"), for the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "Bonds").

3. That the Appraiser hereby consents to the reproduction and use of the Appraisal Report appended to the Preliminary Official Statement and the Official Statement. The Appraiser also consents to the references to the Appraiser and the Appraisal Report made in the Preliminary Official Statement and the Official Statement.

4. In the opinion of the Appraiser the assumptions made in the Appraisal Report are reasonable. Since the date of value of the Appraisal Report, the Appraiser is not aware of any facts that would cause its opinion of value of the taxable property in the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) (the "Improvement Area") to be lower than the value in the Appraisal.

5. Each of the parcels appraised by the Appraiser is encompassed within the Improvement Area as set forth in the boundary map of the Improvement Area.

6. That, as of the date of the Official Statement and as of the date hereof, the Appraisal Report appended to the Official Statement, to the best of my knowledge and belief, and subject to all

of the Assumptions and Limiting Conditions set forth in the Appraisal Report, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and no events or occurrences have been ascertained by us or have come to our attention that would substantially change the estimated values stated in the Appraisal Report. However, we have not performed any procedures since the date of the Appraisal Report to obtain knowledge of such events or occurrences nor are we obligated to do so in the future.

7. The City and the Underwriter, Piper Sandler & Co., are entitled to rely on the Certificate.

INTEGRA REALTY RESOURCES

By: _____
Authorized Representative

EXHIBIT H

$_____
IMPROVEMENT AREA NO. 1 OF THE CITY OF TRACY
COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TRACY HILLS)
SPECIAL TAX BONDS, SERIES 2020

CERTIFICATE OF MARKET ABSORPTION CONSULTANT

_____, 2020

City of Tracy
333 Civic Center Plaza
Tracy, California 95376

Piper Sandler & Co.
8880 Cal Center Drive, Suite 400
Sacramento, California 95826

The undersigned hereby states and certifies:

1. That he is an authorized principal of Empire Economics, Inc. (the "Market Absorption Consultant") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Market Absorption Consultant has prepared an Market report, dated September 30, 2020 (the "Market Report"), on behalf of the City of Tracy (the "City") in connection with the Preliminary Official Statement, _____, 2020 (the "Preliminary Official Statement") and the Official Statement dated _____, 2020 ("Official Statement"), for the Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "Bonds").

3. That the Market Absorption Consultant hereby consents to the reproduction and use of the Market Report appended to the Preliminary Official Statement and the Official Statement. The Market Absorption Consultant also consents to the references to the Market Absorption Consultant and the Market Report made in the Preliminary Official Statement and the Official Statement.

4. In the opinion of the Market Absorption Consultant the assumptions made in the Market Report are reasonable. Since the date of the Market Report, the Market Absorption Consultant is not aware of any facts that would cause its opinion as to the timing of home sales in Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) to be different than the Market Report.

5. That, as of the date of the Official Statement and as of the date hereof, the Market Report appended to the Official Statement, to the best of my knowledge and belief, and subject to all of the limiting conditions and major assumptions set forth in the Market Report, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the

statements contained therein, in the light of the circumstances under which they were made, not misleading, and no events or occurrences have been ascertained by us or have come to our attention that would substantially change the estimated timing of home sales stated in the Market Report. However, we have not performed any procedures since the date of the Market Report to obtain knowledge of such events or occurrences nor are we obligated to do so in the future.

6. The City and the Underwriter, Piper Sandler & Co., are entitled to rely on the Certificate.

EMPIRE ECONOMICS

By: _____
Authorized Representative

RESOLUTION _____

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 2016-161 (AS PREVIOUSLY SUPPLEMENTED) TO AUTHORIZE THE ISSUANCE AND SALE OF SPECIAL TAX BONDS FOR THE PURPOSE OF FINANCING AUTHORIZED FACILITIES, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS

Improvement Area No. 1 of the
City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)

RESOLVED, by the City Council (the "City Council') of the City of Tracy (the "City"), County of San Joaquin, State of California, that:

WHEREAS, the City Council previously conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Act"), to form (i) "City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" (the "CFD") and (ii) "Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills)" ("Improvement Area No. 1"), to authorize the levy of special taxes upon the land within the Improvement Area No. 1 and issue bonds and other debt secured by those special taxes for financing certain public improvements (the "Authorized Facilities") in the aggregate principal amount of $80,000,000, all as described in those proceedings; and

WHEREAS, pursuant to Resolution No. 2016-161, which was adopted on July 19, 2016 (the "Resolution No. 2016-161"), this Council authorized the issuance of up to $70,000,000 of bonded indebtedness and other debt on behalf of the CFD with respect to Improvement Area No. 1, directed staff to prepare documentation for such bonded indebtedness and other debt and return to this Council for approval of such documentation, and appointed U.S. Bank National Association as fiscal agent for such bonded indebtedness and other debt (the "Fiscal Agent"); and

WHEREAS, pursuant to Resolution No. 2018-150, which was adopted on July 17, 2018, this Council supplemented Resolution No. 2016-161 to authorize up to $80,000,000 of bonded indebtedness and other debt on behalf of the CFD with respect to Improvement Area No. 1; and

WHEREAS, for the purpose of financing Authorized Facilities under the provisions of the Act:

(i) the City previously issued its $32,625,000 initial principal amount Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2018 (the "2018 Bonds") under Resolution No. 2016-161, Resolution No. 2018-150 and a Fiscal Agent Agreement (the "Original Fiscal Agent Agreement"), dated as of August 1, 2018, by and between the City, for and on behalf of the CFD, and the Fiscal Agent, and

(ii) the City subsequently issued its $14,850,000 initial principal amount Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2019 (the "2019 Bonds")

under Resolution No. 2016-161, Resolution No. 2018-150 and Resolution No. 2019-145 adopted by the Council on July 2, 2019, and a First Supplement to Fiscal Agent Agreement, dated as of August 1, 2019, by and between the City, for and on behalf of the CFD, and the Fiscal Agent (the "First Supplement"); and

WHEREAS, as a result of the issuance of the 2018 Bonds and the 2019 Bonds, the remaining unissued amount of bonded indebtedness and other debt of Improvement Area No. 1 is $32,525,000; and

WHEREAS, this City Council now wishes to further supplement Resolution No. 2016-161, as previously supplemented, to finance the costs of acquiring and constructing Authorized Facilities, by issuing its Improvement Area No. 1 of the City of Tracy Community Facilities District No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2020 (the "2020 Bonds"), and to further supplement the Original Fiscal Agent Agreement, and there have been submitted to this City Council certain documents described below providing for such supplement and for the issuance of the 2020 Bonds for the CFD and the use of the proceeds of those Bonds, and this City Council with the aid of its staff has reviewed the documents and found them to be in proper order; and

WHEREAS, there has also been submitted to this City Council a form of preliminary Official Statement in connection with the marketing of the 2020 Bonds, and the City Council, with the aid of its staff, has reviewed the preliminary Official Statement; and

WHEREAS, in accordance with Government Code Section 5852.1, this City Council has obtained and wishes to disclose the information set forth in Appendix A hereto; and

WHEREAS, Section D3 of the Rate and Method of Apportionment of Special Taxes for Improvement Area No. 1 (the "Rate and Method") provides that the City may, in its sole discretion, allow for a transfer of Expected Maximum Facilities Special Tax Revenues between the Villages described in the Rate and Method if (i) the expected number of Residential Units is transferred from one Village to another, (ii) all adjustments are agreed to in writing by the affected property owners and the City, and (iii) there is no reduction in the total Expected Maximum Facilities Special Tax Revenues as a result of the transfer (as those terms are defined in the Rate and Method); and

WHEREAS, on the date hereof, the City Council approved a tentative map for a portion of the property in Improvement Area No. 1 that transfers the expected number of Residential Units from one Village to another by (i) decreasing the size of the 66 existing lots in Village 6B so that 132 residential lots are created and (ii) identifying the newly-created 132 residential lots as Village 7C; and

WHEREAS, the City has received a written request from Tracy Phase I, LLC (the "Developer"), which is the only property owner affected by the transfer of the units from Village 6B to Village 7C, in which the Developer (i) asks the City to (A) transfer the lots in Village 6B to Village 7 and to tax such lots under the Rate and Method as Village 7C and (B) cause Attachment 1 to the Rate and Method to be revised to reflect such transfer, and (ii) provides evidence that the proposed transfer of lots from Village 6B to Village 7C does not result in a reduction of the total Expected Maximum Facilities Special Tax Revenues for Improvement Area No. 1; and

WHEREAS, on the date hereof, pursuant to Resolution No. ____, the City Council approved the transfer of Expected Maximum Facilities Special Tax Revenues from Village 6B to Village 7C in accordance with Section D3 of the Rate and Method; and

WHEREAS, all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the 2020 Bonds and the levy of the special taxes as contemplated by this resolution and the documents referred to herein exist, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the Act;

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. Bonds Authorized. Pursuant to the Act, Resolution No. 2016-161 (as previously supplemented), this Resolution and the Fiscal Agent Agreement, as supplemented, including by a Second Supplement to Fiscal Agent Agreement (the "Second Supplement to Fiscal Agent Agreement"; as it supplements the Original Fiscal Agent Agreement as previously supplemented, the "Fiscal Agent Agreement"), by and between the City, for and on behalf of the CFD, and the Fiscal Agent, the 2020 Bonds are hereby authorized to be issued in the principal amount not to exceed twenty-one million five hundred thousand dollars ($21,500,000).

The 2020 Bonds shall be dated, bear interest at the rates, mature on the dates, be issued in the form, be subject to redemption, and otherwise be issued on the terms and conditions, all as set forth in the Second Supplement to Fiscal Agent Agreement and in accordance with this Resolution; provided, however, that the true interest cost payable with respect to the 2020 Bonds shall not exceed five and one-half percent (5.50%). The Fiscal Agent (as defined in the Recitals to this Resolution), an Authorized Officer (as defined in Section 3 of this Resolution) and other responsible officers of the City are hereby authorized and directed to take such actions as are required to cause the delivery of the 2020 Bonds upon receipt of the purchase price thereof.

Section 2. Findings. The City hereby finds the following:

(a) The issuance of the 2020 Bonds is in compliance with the Act, Resolution No. 2016-161 (as previously supplemented), the Fiscal Agent Agreement and the City's "Amended Local Goals and Policies for Community Facilities Districts (CFDs)" adopted by this City Council on February 4, 2014 by Resolution No. 2014-019 ("Goals and Policies"), except that the provision requiring property owners to provide continuing disclosure as long as they own property that is responsible for at least 10% of the special taxes in Improvement Area No. 1 is hereby waived so that the threshold can be established for the 2020 Bonds at a level acceptable to the Underwriter (as defined in Section 7).

(b) The appraisal described in the Preliminary Official Statement has been prepared consistent with the Goals and Policies.

(c) The current draft of the appraisal described in the Preliminary Official Statement concludes that the taxable property in Improvement Area No. 1 has a market value of $398,408,000 (subject to the various assumptions and conditions set forth in the appraisal). In furtherance of the issuance of the 2020 Bonds and pursuant to Section 53345.8 of the Act, the City Council hereby finds and determines that the appraised value of the real property subject to the Special Taxes levied pursuant to the Act to pay debt service on the 2020 Bonds is at least three times the aggregate principal amount of the 2020 Bonds and the principal amount of all

other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within Improvement Area No. 1, including the 2018 Bonds and the 2019 Bonds, or a special assessment levied on property within the Improvement Area No. 1, based upon the appraised value of the property within Improvement Area No. 1 that meets the requirement of Section 53345.8 of the Act.

Section 3. Authorities Granted. The Mayor, City Manager, Assistant City Manager, Finance Director, or such other official of the City as may be designated by such officer pursuant to Section 8 hereof (each, an "Authorized Officer") is hereby authorized and directed to execute and deliver the documents approved herein in substantially the form on file with the City Clerk, together with such additions or changes as are approved by such Authorized Officer, including such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the 2020 Bonds. The approval of such additions or changes shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the documents herein specified.

Section 4. Second Supplement to Fiscal Agent Agreement. The City Council hereby approves the Second Supplement to Fiscal Agent Agreement, in substantially the form on file with the City Clerk. The terms and provisions of the Original Fiscal Agent Agreement, as previously supplemented and as supplemented by the Second Supplement to Fiscal Agent Agreement, as executed, are incorporated herein by this reference as if fully set forth herein. An Authorized Officer is hereby authorized and directed to execute the Second Supplement to Fiscal Agent Agreement on behalf of the City, and the City Clerk is hereby authorized and directed to attest thereto.

Section 5. Official Statement. The City Council hereby approves the Preliminary Official Statement prepared in connection with the 2020 Bonds in substantially the form on file with the Clerk of the City Council, together with any changes therein or additions thereto deemed advisable by an Authorized Officer. The City Council hereby approves and authorizes the distribution by the Underwriter (described below) of the 2020 Bonds of the Preliminary Official Statement to prospective purchasers of the 2020 Bonds, and authorizes and directs an Authorized Officer on behalf of the City to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") prior to its distribution to prospective purchasers of the 2020 Bonds. The execution of the final Official Statement, which shall include 2020 Bond pricing information, such other changes and additions thereto deemed advisable by an Authorized Officer, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by the City.

Section 6. Continuing Disclosure. The City Council hereby approves the form of the Continuing Disclosure Certificate with respect to the 2020 Bonds in substantially the form thereof attached to the Preliminary Official Statement on file with the City Clerk. An Authorized Officer is hereby authorized and directed to complete and execute the Continuing Disclosure Certificate on behalf of the City (for and on behalf of the CFD for Improvement Area No. 1) with such changes, additions or deletions as may be approved by the Authorized Officer.

Section 7. Sale of the 2020 Bonds; Bond Purchase Agreement. The Bond Purchase Agreement, between the City, for and on behalf of the CFD with respect to Improvement Area No. 1, and Piper Sandler & Co. (the "Underwriter"), in substantially the form on file with the City Clerk and made a part hereof as though set forth in full herein, is hereby approved by the City Council. An Authorized Officer is hereby authorized and directed to execute and deliver the

Bond Purchase Agreement in such form, together with such changes, insertions and omissions that are approved by an Authorized Officer and that are in accordance with the provisions of this Resolution, such execution to be conclusive evidence of such approval; subject to the requirement that the Underwriter's discount on the purchase of the 2020 Bonds may not exceed one and one-half percent (1.50%) and the interest rate may not exceed the rate specified in Section 1 hereof. The City Council hereby approves the negotiated sale of the 2020 Bonds to the Underwriter pursuant to such Bond Purchase Agreement.

The City Council hereby finds that sale of the 2020 Bonds to the Underwriter at a negotiated sale pursuant to the Bond Purchase Agreement will result in a lower overall cost than would be achieved by selling the 2020 Bonds at a public sale utilizing competitive bidding because a negotiated sale provides more flexibility in the timing of the sale, the ability to implement the sale in a shorter time period, an increased ability to structure the 2020 Bonds to fit the needs of specific purchasers and a greater opportunity for the Underwriter to pre-market the 2020 Bonds to potential purchasers prior to the sale.

Section 8. Actions Authorized. All actions heretofore taken by the officers and agents of the City (including the Authorized Officers) with respect to the establishment of the CFD and Improvement Area No. 1 and the sale and issuance of the 2020 Bonds are hereby approved, confirmed and ratified, and the appropriate officers of the City are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2020 Bonds in accordance with this resolution, including but not limited to any actions required in connection with issuance of ratings or a municipal bond insurance policy with respect to the 2020 Bonds, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer.

Section 9. Effectiveness. This resolution shall take effect from and after its adoption. The provisions of any previous resolutions in any way inconsistent with the provisions hereof in and for the issuance of the 2020 Bonds as herein described are hereby repealed.

* * * * * * * * * * * *

The foregoing Resolution 2020-___ was adopted by the Tracy City Council on the 20th day of October, 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS

_____
Mayor

ATTEST:

_____
City Clerk

EXHIBIT A

Government Code Section 5852.1 Disclosure

The good faith estimates set forth herein are provided with respect to the 2020 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by CSG Advisors Incorporated, the City's Municipal Advisor in consultation with Piper Sandler & Co., Underwriter of the 2020 Bonds.

Principal Amount. The Municipal Advisor has informed the City that, based on the CFD financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2020 Bonds to be sold is **$18,270,000** (the "Estimated Principal Amount"), which excludes approximately **$964,000** of net premium estimated to be generated from current market pricing. Net premium is generated when, on a net aggregate basis for a single issuance, the prices paid for the bonds are higher than the face values of such bonds.

True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate plus one half of one percentage point, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is **3.71%**.

Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2020 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020 Bonds), is **$478,000**. Such fees and charges include fees for bond and disclosure counsel, municipal advisor, appraiser, market absorption consultant, special tax consultant, fiscal agent, city attorney and staff time related to bond issuance, set-aside for Fiscal Year 2019-20 CFD administrative expenses, printing, and underwriting.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold plus net premium, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received on behalf of the CFD and Improvement Area No. 1 for sale of the 2020 Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds, is **$16,963,000**.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the 2020 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments that the Improvement Area No. 1 property owners will make to pay debt service on the 2020 Bonds, plus the finance charge for the 2020 Bonds, as described above, not paid with the proceeds of the 2020 Bonds, and exclusive of any reserve funds or capitalized interest that could offset such costs, calculated to the final maturity of the 2020 Bonds, is **$33,500,000**.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2020 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2020 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2020 Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2020 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2020 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the CFD financing plan, delays in the financing, or a combination of such factors. The actual date of sale of the 2020 Bonds and the actual principal amount of 2020 Bonds sold will be determined by the City based on the timing of the need for proceeds of the 2020 Bonds and other factors. The actual interest rates borne by the 2020 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2020 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

October 20, 2020

AGENDA ITEM 3.D

REQUEST

DISPENSE WITH PUBLIC BIDDING REQUIREMENTS AND AUTHORIZE THE CITY MANAGER TO TAKE IMMEDIATE AND EMERGENCY ACTIONS PURSUANT TO THE COUNCIL'S SHELTER CRISIS DECLARATION TO EXPEDITE THE CONSTRUCTION OF TEMPORARY EMERGENCY HOUSING FOR TRACY'S UNSHELTERED ON CITY-OWNED PROPERTY AT 500 W. ARBOR ROAD INCLUDING THE PROCUREMENT AND AWARD OF CONTRACTS AND EQUIPMENT AND SUPPLIES

EXECUTIVE SUMMARY

Staff requests that the City Council adopt a resolution to dispense with normal public bidding requirements and authorizing the City Manager to take actions to expedite the construction of temporary emergency housing or low barrier navigation center for Tracy's unsheltered population on City property. This project, CIP 71112, was previously approved on September 1, 2020 by Resolution No. 2020-163. Council authorization of these actions is requested pursuant to the Council's Shelter Crisis Declaration via Resolution No. 2020-052 and include authorizing the City Manager to award public works contracts for site preparation, and procure equipment and supplies consistent with the project budget, including grant funding. In order to forgo public bidding requirements to expedite construction, Council approval by a four-fifths (4/5) vote is required.

DISCUSSION

In September 2018, the 9th Circuit Court of Appeals ruled in *Martin vs Boise*, that it was a violation of an individual's civil rights (specifically the freedom from cruel and unusual punishment) to enforce ordinances such as anti-camping ordinances that criminally cite homeless individuals for being in public spaces when there is no other shelter available to them.

On March 10, 2020, the Tracy City Council declared a shelter crisis pursuant to Resolution No. 2020-052 (Attachment A) finding that a significant number of people within the City of Tracy are unable to obtain shelter thereby resulting in a threat to their health and safety. On March 17, 2020 the City declared a state of emergency due to the COVID-19 pandemic (Attachment B), activated the City's Emergency Operations Center (EOC) and instituted operational, procedural and personnel changes in order to preserve public health and safety in compliance with the orders of the Federal Center for Disease Control (CDC), the Public Health Officer of the State of California, and the Public Health Officer of San Joaquin County. As a result of the Public Health Officers' Orders and declarations of emergency, all City facilities, including restrooms in our public parks were closed to reduce the spread of COVID-19.

Recognizing the unique impacts the closures of businesses and public restroom had on Tracy's unsheltered population, City staff identified locations and provided restrooms and handwashing facilities in April 2020, to curb the spread of COVID-19 among the city's unsheltered population. On May 5, 2020 City Council approved a

Homelessness Strategic Plan which included a short term goal of creating temporary emergency shelter or low barrier navigation center. On September 1, 2020, Tracy City Council approved the construction of a temporary emergency housing facility on currently unimproved, City-owned land at 500 W. Arbor Road, Tracy, California (Attachment C). Further, CIP 71112 was established and preliminarily funded with approximately $900,000 to support land improvements and construction of the facility.

The emergence of the COVID-19 pandemic exasperated an already growing homelessness concern in Tracy. Homelessness in San Joaquin County has increased significantly over the past several years. The biennial Point in Time (PIT) count in January 2017 noted 90 unsheltered homeless individuals in Tracy alone. By the next PIT count in January 2019, that number had increased to 155 the City of Tracy and 1,558 for San Joaquin County overall. A notable uptick in complaints related to homelessness activities, has also been documented by Public Works, Code Enforcement and Police personnel.

The increased number of homeless poses a health and safety risk by indicating that at least 155individuals in Tracy do not have access to basic needs like shelter, food, water and sanitation. The increase in the unsheltered population in Tracy has also manifested in City parks and public right of ways.

Given the complexity and magnitude of the homelessness crisis, further exacerbated by the COVID-19 pandemic, and the limited supply of affordable permanent housing options in the City and throughout San Joaquin County, there is a significant and immediate need for interim housing in Tracy including emergency housing to protect the safety, security and health of all Tracy residents. Concerns about the public health, safety and welfare of unsheltered individuals grow as the winter months approach and local shelters are further strained due to diminished capacity for COVID-19 spacing requirements.

Typical project design, bid, and build and procurement procedures requires an extensive process that would typically take approximately three to five months. Because the pouring and curing of a cement foundation is required for this project, taking the typical required amount of time for process would mean that construction could not begin until approximately January/February 2021, a season where rain and cooler temperatures would most likely delay the pouring and curing of the foundation. Additionally, these delays would serve to further exacerbate ongoing health, housing, and quality of life issues facing Tracy residents in the COVID-19 environment, particularly in the coming cold and wet winter months. Most importantly, it should be noted that the immediate need for temporary housing for the unsheltered in the City support the suspension of various state and local regulations during the period of the emergency, including those in the Public Contract Code. Public Contract Code Section 22050 provides that City Council, pursuant to a four-fifths vote, may dispense with the public bidding requirement and delegate authority to the City Manager to take immediate action to procure services and supplies without a competitive bid process.

If tonight's recommended action is approved and the proposed resolution is approved by Council, the following will occur:

- Emergency construction of a temporary emergency housing facility will begin at 500 W Arbor Road, without a competitive bid process,

- Construction will include site upgrades, including, but not limited to plumbing, utility, parking and other infrastructure installation,

- Procurement and installation of modular facilities for use as emergency temporary housing to provide emergency shelter and sanitation facilities and services for approximately 30 individuals in accordance with COVID-19 social distancing requirements, and

- Procurement of goods and services to support and operate the facility (e.g. bedding, furnishings, portable toilets and showers)

In order to approve this action, Council must make the following findings by a four-fifths vote:

1. The emergency construction at 500 W. Arbor Rd, Tracy is necessary to permit essential operations or services; and

2. That the emergency will not allow for delay that would result if the project were competitively bid, and that the action to immediately construct a temporary housing facility on an emergency basis is necessary.

Staff is recommending that the Council adopt this resolution to authorize the City Manager to take immediate and emergency actions to construct a facility and procure goods and services, including 1) approving contracts for site preparation and building procurement for a temporary emergency shelter facility, above her existing signing authority but within the overall budget for the project (CIP 71112), including grant funding; and 2) consistent with law, approve the suspension or waiving of bid and purchasing requirements necessary to expedite the implementation of the facility.

Environmental Document

This action is exempt from environmental review of under California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines because foregoing the public bidding requirement and authorizing the City Manager to take immediate and necessary actions to award contracts and procure equipment and supplies will not have a significant effect on the environment.

STRATEGIC PLAN

This agenda item supports the City's Quality of Life Strategic Priority, specifically within Goal #3, Explore opportunities to provide temporary and/or permanent housing for

homeless in Tracy and Public Safety Strategy Priority, specifically Goal #2, Facilitate public safety and community partnerships to proactively address citywide encampments and Identify and pursue resources to enhance our responses to homelessness-related issues

FISCAL IMPACT

CIP 71112 for Temporary Emergency Housing is an approved Capital Improvement Project with a budget of $899,000. The project is funded from; Housing Asset Funds for $690,000, CDBG for $100,000 and CARES Act for $109,000. Additionally, staff is actively pursuing grants that are not included in this amount.

RECOMMENDATION

That City Council, by resolution, authorize dispensing with public bidding requirements and authorizing the City Manager to take immediate and emergency actions pursuant to the City Council's shelter crisis declaration authorize the City Manager to expedite the construction of temporary emergency housing for Tracy's unsheltered on city-owned property at 500 W. Arbor Road and including the procurement of contracts.

Prepared by: Midori Lichtwardt, Assistant City Manager
Robert Armijo, PE, City Engineer/Assistant Development Services Director

Reviewed by: Karin Schnaider, Finance Director

Approved by: Jenny Haruyama, City Manager

Attachment A: Resolution No. 2020-052 Shelter Crisis Declaration (March 10, 2020)
Attachment B: Proclamation – Existence of Local Emergency (March 17, 2020)
Attachment C: Resolution No. 2020-163 Approval of Temporary Emergency Housing Project

ATTACHMENT A

RESOLUTION 2020-052

DECLARING A SHELTER CRISIS PURSUANT TO GOVERNMENT CODE SECTION 8698 ET SEQ. TO FACILITATE THE ESTABLISHMENT OF A TEMPORARY WARMING CENTER TO PROVIDE SHELTER TO THE HOMELESS

WHEREAS, According to the San Joaquin Continuum of Care Report on the Point in Time Count (PIT) of the Sheltered and Unsheltered Homeless, at any point in time, approximately 155 persons within the City of Tracy are experiencing unsheltered homelessness; and

WHEREAS, Many of those unable to obtain shelter reside on the streets, in alleys, in city parks, and in other encampments throughout the City; and

WHEREAS, These individuals lack adequate sanitary facilities and are at risk from theft, crime, and extreme weather conditions; and

WHEREAS, These conditions threaten the physical and mental health and safety of those experiencing homelessness; and

WHEREAS, These conditions also result in a threat to public health and well-being of the community; and

WHEREAS, Strict compliance with the provisions of state and local regulatory statutes, regulations, and ordinances prescribing standards of housing, health, safety, and environmental impact assessment may prevent, hinder, or delay the mitigation of the effects of a shelter crisis.

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Tracy hereby declares a shelter crisis exists in the City of Tracy pursuant to California Government Code section 8698.2.

* * * * * * * * * * *

The foregoing Resolution 2020-052, was passed and adopted by the Tracy City Council on the 10th day of March, 2020, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, RANSOM, VARGAS, YOUNG

NOES: COUNCIL MEMBERS: NONE

ABSENT: COUNCIL MEMBERS: NONE

ABSTAIN: COUNCIL MEMBERS: RICKMAN

MAYOR

ATTEST:

CITY CLERK

ATTACHMENT B

PROCLAMATION 2020

PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF TRACY CONFIRMING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO THE NOVEL CORONAVIRUS (COVID-19) IN THE CITY OF TRACY

WHEREAS, Section 3.24.050 of the Tracy Municipal Code empowers the City Manager in her capacity as the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency when said City is affected or likely to be affected by the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property and City Council is not in session, subject to confirmation by the City Council within seven (7) days, and

WHEREAS, Conditions of extreme peril to the safety of persons and property arose within the City of Tracy caused by the serious threat to the public health, safety, and welfare of the City due to the presence and continued transmission of the novel coronavirus (COVID-19), and

WHEREAS, The Director of Emergency Services of the City of Tracy did proclaim the existence of a local emergency within the City on March 12, 2020 at which time the City Council of the City of Tracy was not in session, and

WHEREAS, The aforementioned conditions of extreme peril did warrant and necessitate the proclamation of the existence of a local emergency, and

WHEREAS, The City Council of the City of Tracy does hereby find that conditions of extreme peril to the safety of persons and property have arisen within the City of Tracy caused by the events described above.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED by the City Council of the City of Tracy as follows:

1. That the foregoing recitals are true and correct.
2. That the Proclamation of the existence of a local emergency, as issued by the Director of Emergency Services, is hereby ratified.
3. The local emergency herein proclaimed shall be deemed to continue to exist until the termination is proclaimed by the City Council of the City of Tracy.

BE IT FURTHER PROCLAIMED AND ORDERED that during the existence of said local emergency the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law, ordinances and resolutions of this City and by the City of Tracy Comprehensive Emergency Management Plan.

PASSED AND ADOPTED this the 17th day of March, 2020 by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN
NOES: COUNCIL MEMBERS: NONE:
ABSENT: COUNCIL MEMBERS: NONE:
ABSTAIN: COUNCIL MEMBERS: NONE:

ROBERT RICKMAN, MAYOR

ATTEST:

CITY CLERK

ATTACHMENT C

RESOLUTION 2020-163

DESIGNATE 500 W ARBOR ROAD AS A TEMPORARY EMERGENCY HOUSING SITE FOR UNSHELTERED INDIVIDUALS IN TRACY, APPROPRIATE FUNDS FOR CONSTRUCTION AND PROVISION OF SERVICES IN THE AMOUNT OF $690,000 FROM HOUSING ASSET FUNDS, $100,000 FROM CDBG, $109,000 CARES ACT, AUTHORIZE STAFF TO SUBMIT RELATED GRANT APPLICATIONS AND ISSUE A REQUEST FOR PROPOSALS FOR A SERVICE PROVIDER TO OPERATE THE FACILITY

WHEREAS, On May 5, 2020 the City Council adopted a Tracy-specific Homelessness Strategic Plan that aligns with the County's overall efforts to positively impact homelessness in the region, and

WHEREAS, A short term goal of the Plan called for staff to identify a location to use as a temporary emergency housing solution for the City's unsheltered population, and

WHEREAS, Staff has identified unimproved City-owned land that can be prepared for the construction of temporary emergency housing, located at 500 W Arbor Road, and

WHEREAS, The City Council has previously encumbered or committed funding related to Homeless Prevention and Support for Unsheltered Individuals;

NOW, THEREFORE BE IT RESOLVED, That City Council of the City of Tracy hereby, designates 500 W Arbor Road as a temporary emergency housing site for unsheltered individuals in Tracy, approve appropriations of $690,000 from Housing Asset Funds, $100,000 from CDBG, $109,000 from CARES Act to establish a new CIP 71112 and authorize staff to apply for additional grant funding and issuing a Request for Proposal to identify a service provider with appropriate experience and expertise to operate the facility.

****

The foregoing Resolution 2020-163 was adopted by the Tracy City Council on the 1st day of September 2020, by the following vote:

AYES:	COUNCIL MEMBERS: ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN
NOES:	COUNCIL MEMBERS: NONE
ABSENT:	COUNCIL MEMBERS: NONE
ABSTAIN:	COUNCIL MEMBERS: NONE

MAYOR

ATTEST:

CITY CLERK

RESOLUTION 2020-_____

AUTHORIZING THE CITY MANAGER TO DISPENSE WITH PUBLIC BIDDING REQUIREMENTS AND TAKE IMMEDIATE AND EMERGENCY ACTIONS PURSUANT TO THE COUNCIL'S SHELTER CRISIS DECLARATION TO EXPEDITE THE CONSTRUCTION OF TEMPORARY EMERGENCY HOUSING FOR TRACY'S UNSHELTERED ON CITY-OWNED PROPERTY AT 500 W. ARBOR ROAD INCLUDING THE PROCUREMENT OF CONTRACTS AND EQUIPMENT AND GOODS

WHEREAS, In September 2018, the Ninth Circuit Court of Appeals, in Martin v. City of Boise prohibited cities from prosecuting individuals from being on public property if no shelter space is available; and

WHEREAS, The January 2019, point in time (PIT) count of unsheltered homeless individuals indicated there was a seventy percent increase of unsheltered adults living in the City of Tracy, a total of 155, up from 90 individuals in 2017; and

WHEREAS, On March 10, 2020, pursuant to Government Code Section 8698 et. seq the Tracy City Council passed Resolution No. 2020-052, declaring a Shelter Crisis exists in the City of Tracy because a significant number of persons are without the ability to shelter, resulting in a threat to their health and safety; and

WHEREAS, Under the Shelter Crisis Act the City is authorized to provide emergency housing, shelters, bridge housing communities and other services to the homeless. Furthermore, the City may allow homeless persons to occupy designated Public Facilities (collectively referred to as "Public Facilities"); and

WHEREAS, On March 17, 2020, the Tracy City Council proclaimed the existence of a local emergency related to the COVID-19 pandemic; and

WHEREAS, Unsheltered individuals are at greater risk of contracting COVID-19 due to the lack of sanitary living quarters and sanitation facilities. While efforts have begun to make progress to strengthen the community capacity to address homelessness over the long term, this crisis requires a rapid and focused response by the City; and

WHEREAS, On September 1, 2020, the Tracy City Council approved the construction and procurement of services for a temporary emergency housing facility or low barrier navigation center on City-owned property located at 500 W. Arbor Road, Tracy, California; and; and

WHEREAS, Public Contract Code section 22050 provides that in cases of emergency and pursuant to a four-fifths vote, the City Council take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice bids to let contracts; and

WHEREAS, Public Contract Code Section 22050 provides that in cases of emergency and pursuant to a four-fifths vote, the City Council may also delegate authority to procure the necessary equipment, services, and supplies to the City Manager; and

WHEREAS, Public Contract Code Section 22050(c)(1) requires staff to report on the emergency at its next regularly scheduled meeting and every 14 days thereafter until the emergency is terminated; and

WHEREAS, Due to the extent of the shelter crisis, increasing numbers of unsheltered in Tracy, the impacts of COVID-19 and the risk its effects to health and hygiene on the unsheltered in the upcoming cold winter months, and the short timeline for the City to obligate and expend CARES Act funds, the City needs to move expeditiously to provide services and housing to the unsheltered homeless by constructing and implement a temporary emergency housing facility; and

WHEREAS, The City Council as the governing body may take such actions as are necessary to carry out the provisions of the Shelter Crisis Act and may also authorize the City Manager to take such necessary actions through the adoption of a resolution (Gov. Code Sections 8698.1, 8698.2);

WHEREAS, Pursuant to Article XI, Section 7 of the California Constitution, the City of Tracy may make and enforce all local police, sanitary, and other regulations and ordinances using its police powers to further public health and safety.

WHEREAS, A recommended plan of action has been developed that requires an immediate and expedited response to rapidly provide services to persons experiencing homelessness in the City of Tracy.

WHEREAS, This project is exempt from the requirements of review under the California Environmental Quality Act ("CEQA") pursuant to sections 15061(b)(3) of the State CEQA Guidelines because foregoing the public bidding requirement and authorizing the City Manager to take immediate and necessary actions to award contracts and procure equipment and supplies will not have a significant effect on the environment.

NOW, THEREFORE BE IT RESOLVED as follows:

1. The above recitals are found to be true and correct and are made a part of this Resolution.

2. Resolution. This Resolution is further based on the findings made in Resolution No. 2020-052 and the information set forth in that staff report, and presented to the City Council on March 10, 2020 during the Council meeting.

3. This Resolution is enacted pursuant to Article XI, Section 7 of the California Constitution, as well as all other provisions of state and local law cited herein.

4. In order to reduce the risk of possible health and safety concerns, and to permit

the continued activities of essential operations and services, the approved project require the immediate site preparation and procurement of modular structures purchased and installed on the site to provide homeless individuals currently living without shelter and sanitation.

5. There is insufficient time to prepare and approve plans and specifications to let the project for competitive bid due to the imminent serious health and safety issues caused by the large population living without shelter, particularly in a COVID-19 environment.

6. State and local regulatory statutes, regulations, or ordinances that prescribe housing, building, health, and safety standards for Public Facilities are suspended to the extent strict compliance would in any way prevent, hinder, or delay the mitigation of the effects of the shelter crisis.

7. The City Manager is authorized pursuant to Public Contract Code 22050 to contract for the necessary equipment, supplies, and services without adopting plans and specification and without putting the project out to competitive bid.

8. The City Manager is authorized, pursuant to the Public Contract Code section 22050 to purchase the necessary equipment, supplies, and services to procure and install modular facilities for use as temporary housing facilities; and construct and furnish appropriate space to support the activities of temporary emergency housing.

9. In accordance with Public Contract Code Section 22050(c)(1), staff shall report on the status of the Public Contract Code emergency as its next regularly scheduled meeting and every 14 days thereafter until the emergency is terminated.

* *

The foregoing Resolution 2020-_____ was passed and adopted by the City Council of the City of Tracy on the 20th day of October 2020, by the following vote:

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

_____
MAYOR

ATTEST:

_____
CITY CLERK

October 20, 2020

AGENDA ITEM 3.E

REQUEST

UPDATE REGARDING THE STATUS OF THE DESIGN AND CONSTRUCTION OF THE AQUATIC CENTER

EXECUTIVE SUMMARY

This agenda item provides the City Council with an update on the status of the design and construction of the Aquatic Center in response to a request from Mayor Pro Tem Nancy Young and Councilmember Rhodesia Ransom on October 6, 2020 to return to Council with a phasing plan and the design, construction and funding agreement.

This staff report provides an update about the status of the Aquatic Center project, including a timeline of key actions over the last three years, an overview of activities related to the development of phasing plan to construct the aquatics center, and a brief status update on the design, funding, and construction agreement. However, no Council action or direction will be requested in light of the recent Court ruling in *Mitracos v. City of Tracy, et al.,* which is discussed further in this staff report.

DISCUSSION

On January 1, 2017, Measure V, a 20-year half-cent transaction and use tax (sales tax) for local city services and facilities became effective. Since that time, the City has taken steps to advance the construction of an aquatic center in Tracy. This staff report provides an informational update about the status of the Aquatic Center project, including a timeline of key actions over the last three years and activities related to the development of a phasing plan to construct the Aquatic Center, and the design, funding, and construction agreement.

Timeline of Key Events

The following timeline highlights key City actions taken to design, fund, and construct an aquatic center since Measure V took effect on January 1, 2017. Council's most recent action included the establishment of a not-to-exceed Aquatic Center project budget of $65 million, which includes $55 million in Measure V funds and a $10 million Surland's contribution, and direction to phase the construction of the Aquatics Center.

Date	Action
April 25, 2017	▪ Council received an update and provided feedback on the proposed elements of Aquatics Center: o 50-meter pool o Lazy river o Indoor pool component o Water slide o Outdoor splash with shade o Family activity teaching pool with zero depth entry
August 15, 2017	▪ Council confirmed, by motion, that the Aquatic Center will be located within the Ellis residential development.

	▪ Based on Council preferred elements, Council was presented with build-out scenarios and preferred "Option 1C" and established a total budget of $41.5M. Council further directed staff to implement a financing strategy.
May 3, 2018	▪ Council approved the Second Amendment to Surland DA, reflecting an increased total budget of $54M for the Swim Center. ▪ Per the Second Amendment, instead of a direct cash payment to City, Developer's remaining obligation of $8M, is to be fulfilled by retaining and compensating consultants to facilitate design and construction services.
March 5, 2019	▪ Council directed staff to fund the Aquatic Center through a "pay-go" approach, meaning that the project would be funded with cash on hand instead of debt financing the project, funds would be accumulated over time to finance the aquatics center.
November 5, 2019	▪ Developer presented Final Conceptual Plan funding scenarios of $54M, $80M and $130M. ▪ Council established a total not-to-exceed budget of $65M ($55M in Measure V and $10M in developer contributions) that allows for future expansion, and includes the following elements in priority order: 1. 50-meter pool 2. Recreation/warm-up pool 3. Lazy river 4. Water slides 5. Toddler area 6. Indoor pool (optional) 7. Fitness center (optional)
August 18, 2020	▪ Council approved the Aquatics Center Final Conceptual Plan with a not-to-exceed amount of $65M, including contingency and soft costs. (Attachment A). ▪ Council directed staff and Developer to prepare a phasing plan in which key elements will be built over time and open to the public.
October 8, 2020	▪ City served with final judgment in *Mitracos v. City of Tracy.*

Aquatic Center Phasing Plan and Construction Approach

On August 18, 2020 Council directed the Developer and staff to return with phasing options as a funding strategy to construct the Aquatic Center based on the projected Measure V cash flow. Currently, the City has $16M on hand, as of June 30, 2020 to fund the construction of the Aquatic Center. It is estimated the City may collect another $5-$7M in FY 2020-21. This direction included an option to open a portion of the facility sooner than the rest of the amenities shown in the Final Conceptual Plan. Along with the Developer contribution of $8M (less $1.2M already spent on design), the estimated accumulated total at the close of this fiscal year would be approximately $30M.

Staff has been working with the Developer to provide comprehensive analyses of the proposed approaches to ensure the Council and public understand the impacts of phasing this project. Significant considerations include, but are not limited to:

- Phasing Plan and Budget
    - Staff, the Developer and their consultants have been working on best ways to sequence the project so that it makes fiscal and operational sense;
        i. This will also allow us time to ensure that we get competitive bids through thoughtful planning;
        ii. Per Council direction, we are also exploring options to allow the facility to open sooner rather than later, instead of the proposed 5-year timeline to open the facility;
        iii. Finally, we want to provide opportunities to have flexibility in phasing the project that allow for changes in our fiscal environment, such as reductions in Measure V revenue or a surplus.
- Operations/Maintenance and Cost Recovery Analysis
    - Staff, the Developer and their consultant, Hotel Leisure and Associates (HLA) are continuing to refine HLA's operational and fiscal analysis of the full buildout and phased approaches to the project. This will provide Council with additional information that will help decide which construction approach is best for our community. Areas of consideration are:
        i. Understanding the annual General Fund subsidies, including the annual expenditures vs annual revenues; and,
        ii. Understand key assumptions that affect the subsidies;
            - Attendance projections and how they compare to surrounding facilities; and
            - Fees that we will charge residents.
    - Finally, there are a number of decisions that need to be made prior to opening of this facility. This includes several policy decisions that will require full public participation and transparency prior to finalizing the design such as;
        i. Should the facility be operated by the City or a private company?
        ii. Ensure that ticket prices for day use and annual passes are equitable and affordable for our community; and,

iii. Ensure public participation in fee setting by including the Parks and Community Services Commission and including our key stakeholders (swim clubs, school district, and community at-large).

Design, Funding and Construction Agreement

Part of the aquatics project planning process includes the implementation of a design, funding, and construction agreement. The Second Amendment to the Amended and Restated Development Agreement by and between the City of Tracy and Surland Communities LLC ("Surland DA") included a Swim Center Design, Funding and Construction Agreement ("Swim Center Agreement") that memorialized Developer's obligation to facilitate the design and construction of the Swim Center. In the fall of 2019, upon further legal review of the Swim Center Agreement, the City Attorney's Office informed Surland that the document as drafted was inconsistent with the Public Contract Code because the City is required to competitively bid the construction of publicly funded improvements over $5,000. Thus, while the Developer may facilitate the design of the Swim Center in accordance with the Second Amendment, the actual construction must be competitively and publicly bid. Since then, the parties have discussed amending the Swim Center Agreement to conform with Public Contract Code and to address various other legal issues relating to this unique arrangement including requiring the Developer's consultants to indemnify the City and name the City as a third party beneficiary, and outlining the process for approval of the design documents. The City Attorney's Office is working diligently with legal counsel for the Developer to finalize the Swim Center Agreement. However, based on recent revisions to the agreement that address policy matters such as the use of a third party operator, staff anticipates requesting further Council direction in order to finalize the agreement.

Court Ruling in Mitracos v. City of Tracy et al.

On May 11, 2018, the plaintiff in *Mitracos v. City of Tracy et al*. challenged the validity of the Second Amendment to the Surland DA. On Thursday, October 8, 2020, the City was served with the Court's judgment in that matter. The Court granted plaintiff's request for injunctive relief and the City is currently prohibited from implementing the Second Amendment. The Court's judgment will be stayed, unless the City files a notice of appeal or otherwise challenges the ruling. Until such time, the City Council may not direct staff to implement or take any action that implements the Second Amendment.

STRATEGIC PLAN

This agenda item is consistent with the City Council's adopted Quality of Life Strategy and meets the goal of enhancing the City's amenities.

FISCAL IMPACT

This item is informational only. There is no fiscal impact at this time.

RECOMMENDATION

Staff recommends that Council receive an update on the status of the design and construction of the Aquatic Center.

Prepared by: Brian MacDonald, Parks and Recreation Director
Leticia Ramirez, City Attorney

Reviewed by: Karin Schnaider, Finance Director
Andrew Malik, Assistant City Manager

Approved by: Jenny Haruyama, City Manager

ATTACHMENTS

Attachment A – Final Aquatics Center Conceptual Plan

AQUATIC CENTER FINAL CONCEPTUAL PLAN
Adopted by City Council Resolution 2020-154

1. Competition Pool
2. Recreation Pool
3. Lazy River
4. Slides
5. Toddler Pool
6. Play Structure and Wet Deck
7. Future Expansion
8. Entrance Location
9. Food and Beverage
10. Support Facilities
11. Parking Lot
12. Drop-Off Location



October 20, 2020

AGENDA ITEM 3.F

REQUEST

APPOINT ONE APPLICANT TO SERVE ON THE MEASURE V RESIDENTS' OVERSIGHT COMMITTEE

EXECUTIVE SUMMARY

On June 16, 2020, one of the Measure V Residents' Oversight Committee Members resigned. A recruitment was conducted and an appointment needs to be made to fill the position.

DISCUSSION

On June 16, 2020, one of the Measure V Residents' Oversight Committee Members resigned. To fill the vacancy, the City Clerk's office conducted a recruitment beginning on July 10, 2020, and ending on July 28, 2020 during which time no applications were received. As stated in the Council's Policy Establishing the Council Selection Process, and Defining Residency Requirements for Appointee Bodies (Resolution No. 2020-009; Attachment A), in the event there are not two or more applicants than vacancies, the filing deadline will be extended. The recruitment was extended beginning on July 28, 2020, and ended on August 21, 2020. The City Clerk's office received two applications during the extended recruitment period. There was an additional extension beginning on August 25, 2020 and ended on September 11, 2020.

On October 14, 2020, a Council subcommittee consisting of Mayor Rickman and Mayor Pro Tem Young interviewed two applicants for the Measure V Residents' Oversight Committee. In accordance with Resolution No. 2020-009, the Council subcommittee will recommend a candidate for appointment to the Measure V Residents' Oversight Committee to the full Council.

STRATEGIC PLAN

This item is a routine operational item and does not relate to any of the Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact.

RECOMMENDATION

That Council, by motion, approve the subcommittee's recommendations and appoint Joyce Fenton to the Measure V Residents' Oversight Committee to serve three year term beginning October 21, 2020, and ending February 28, 2023.

Prepared by: Necy Lopez, Deputy City Clerk
Reviewed by: Midori Lichtwardt, Assistant City Manager
Approved by: Jenny Haruyama, City Manager

Attachment A: Resolution 2020-009

ATTACHMENT A

RESOLUTION 2020-009

ADOPTING A COUNCIL POLICY ESTABLISHING A SELECTION PROCESS FOR APPOINTMENTS TO CITY ADVISORY BODIES AND REPEALING RESOLUTION NO. 2004-089 AND RESOLUTION NO. 2004-152

WHEREAS, In March 2004, the Tracy City Council adopted Resolution No. 2004-089 establishing a policy for the selection process and defining residency requirements for appointee bodies ("Policy") in accordance with Government Code sections 54970 et seq. that was last amended in May 2004, via Resolution No. 2004-152;

WHEREAS, The current policy states that the Mayor (or designee) and a selected Council member shall serve on a selection subcommittee to review applications to serve on an advisory body, interview applicants, and make a recommendation to the full Council on a candidate for appointment to an advisory body,

WHEREAS, In practice, Council appoints any two Council members to a subcommittee to review applications and interview applicants for an appointment to an advisory body, and

WHEREAS, Council wishes to amend the policy to accurately reflect its current practice.

NOW, THEREFORE, the City Council of the City of Tracy hereby adopts the Council Policy Establishing a Selection Process for Appointments to City Advisory Bodies, attached as Exhibit A, and thereby repeals and supersedes Resolution No. 2004-089, and Resolution No. 2004-152.

* * * * * * * * * *

The foregoing Resolution 2020-009 was passed and adopted by the Tracy City Council on the 21st day of January, 2020, by the following vote:

AYES: COUNCIL MEMBERS: ARRIOLA, RANSOM, VARGAS, YOUNG, RICKMAN
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE

MAYOR

ATTEST:

CITY CLERK

COUNCIL POLICY ESTABLISHING A SELECTION PROCESS FOR APPOINTMENTS TO CITY ADVISORY BODIES

(Exhibit "A" to Resolution No. 2020-009)

SECTION 1: PURPOSE

To establish a selection process for appointments to City advisory bodies including defining residency requirements, in accordance with Government Code sections 54970 et seq.

SECTION 2: SELECTION PROCESS FOR APPOINTEE BODIES

A. On or before December 31st of each year, the City Clerk shall prepare an appointment list of all regular and ongoing boards, commissions and committees that are appointed by the City Council of the City of Tracy. The list shall contain the following information:

   1. A list of all appointee terms which will expire during the next calendar year, with the name of the incumbent appointee, the date of the appointment, the date the term expires and the necessary qualifications for the position.

   2. A list of all boards, commissions and committees whose members serve at the pleasure of the Council and the necessary qualifications of each position.

   3. The list of appointments shall be made available to the public for a reasonable fee that shall not exceed actual cost of production. The Tracy Public Library shall receive a copy of the list.

B. Whenever a vacancy occurs in any board, commission or committee, whether due to expiration of an appointee's term, resignation, death, termination or other causes, a special notice shall be posted in the office of the City Clerk, The Tracy Public Library, the City website, and in other places as directed within twenty (20) days after the vacancy occurs. Final appointment to the board, commission or committee shall not be made by the City Council for at least ten (10) working days after the posting of the notice in the Clerk's office. If Council finds an emergency exists, the Council may fill the unscheduled vacancy immediately.

C. Appointments shall be made for the remainder of the term created by the vacancy except as follows:

   1. If appointee will fill an un-expired term with six months or less remaining, the appointment shall be deemed to be for the new term.

   2. If the vacancy is filled by an emergency appointment the appointee shall serve only on an acting basis until the final appointment is made pursuant to section 2.

D. The Council shall use the following selection process to provide an equal opportunity for appointment to a board, commission or committee:

1. Council shall appoint two Council members to serve on a subcommittee to review applications, interview applicants and recommend a candidate for appointment to the board, commission or committee.

2. If the Council subcommittee determines there are multiple qualified candidates, the subcommittee can recommend the Council establish an eligibility list that can be used to fill vacancies that occur in the following twelve (12) months.

3. At the Council subcommittee's discretion, the chair (or designee) of the board, committee or commission for which a member will be appointed, can participate in the interviews.

E. In the event there are not two or more applicants than vacancies on any board, commission or committee, the filing deadline may be extended by the City Clerk.

F. An individual already serving on a City of Tracy board, committee or commission may not be appointed to serve on an additional City of Tracy board, committee, or commission concurrently.

SECTION 3: DEFINITION OF RESIDENCY REQUIREMENTS

A. The following definitions shall be used to determine whether residency requirements are met for boards and commissions to which the Tracy City Council appoints members:

1. Tracy Planning Area means the geographical area defined in the City of Tracy General Plan and any amendments thereto.

2. City of Tracy means within the city limits of the City of Tracy.

3. Citizen means a resident of the City of Tracy.

4. Tracy School District means the geographical area served by the Tracy Unified School District.

5. Sphere of Influence shall be the geographical area approved by the Local Agency Formation Commission (LAFCo) of San Joaquin County and any amendments thereto.

B. Residency, as defined above and as set forth in the applicable bylaws for each board or commission, shall be verified annually by the City Clerk. The residency must be verifiable by any of the following means:

1. Voter registration,

2. Current California Driver's License or Identification,

3. Utility bill information (phone, water, cable, etc.),

4. Federal or State tax returns.

C. Members of boards or commissions shall notify the City Clerk in writing within thirty (30) days of any change in residency. If the change in residency results in the board member or commissioner no longer meeting the residency requirements, the member shall tender their resignation to the City Clerk who shall forward it to the City Council.