

## 4.9 POPULATION, HOUSING, AND EMPLOYMENT

### SETTING

This section examines impacts related to the project's proposed balance between the number of housing units and the number of jobs that are expected to be created. This section also analyzes the project's Affordable Housing Program to determine its effectiveness in providing housing that is affordable to workers employed on the site.

The jobs/housing concept is used to examine whether a region has a balance between its housing supply and its employment base. A region that has too many jobs relative to its housing supply is likely to experience rapid escalation in housing prices (with a concurrent decline in affordability for the lower-income segments of the community), and intensified pressure for additional residential development. Conversely, if a region has relatively few jobs in comparison to employed residents, many of the regional workers would be commuting to jobs located elsewhere. The resulting traffic patterns can lead to road congestion and reductions in both local and regional air quality. Even if a region has a statistical balance between jobs and housing, there may be sizeable in-commuting and out-commuting due to employment and residential opportunities elsewhere in a region.

The balance between population and employment is measured by a ratio of jobs to employed residents; a ratio of 1.0 indicates a perfect balance between employed residents and jobs. A community can have a statistical balance between jobs and employed residents, yet have none of its housing stock affordable to its work force. The ratio of jobs-to-employed residents is used in this analysis, below, for describing general jobs/housing conditions in San Joaquin County, the Tracy Planning Area, the City of Tracy, and the project site.

#### Jobs/Housing Conditions in San Joaquin County

Employment and housing data compiled by the San Joaquin County Community Development Department indicate that, in 1990, the County as a whole had approximately 158,200 households and 182,100 jobs (San Joaquin County, 1990). Assuming the households contained an average of 1.21 employed persons (based on 1990 data for the Stockton SMSA), San Joaquin County had a total of 191,000 employed residents. The resulting ratio of jobs per employed resident is 0.95, implying that the County has an approximate balance between out-commuters and in-commuters (Table 4.9-1). However, the balanced jobs to employed residents ratio for San Joaquin County does not take into account the type of County jobs contributing to the ratio. San Joaquin County historically has had a strong agriculturally-based local economy. Almost 16,000 workers are employed by the agricultural industry in San Joaquin, with tens of thousands of additional workers employed in other industries, such as food processing, which are also directly tied to the County's agricultural industry. Many of the agricultural jobs are low-paying and seasonal positions.

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The City of Tracy's ratio of 0.58 job per employed resident is noticeably lower than the County ratio (Table 4.9-1), which substantiates Tracy's function as a bedroom community for employment centers elsewhere. For the Tracy Planning Area, an area that is much larger than the current City limits, the ratio of jobs to employed residents is higher than the City of Tracy's ratio (because of major employers in unincorporated areas such as the Deuel Prison, the Defense Depot, and Safeway) but lower than the County's ratio (Table 4.9-1). In contrast to San Joaquin County, the jobs to employed residents ratio for the Livermore-Amador Valley of Alameda County (composed of the cities of Dublin, Pleasanton, and Livermore) is greater than 1.0, signifying an overabundance of jobs in relation to the local work force.

TABLE 4.9-1

### EXISTING JOBS/EMPLOYED RESIDENTS RATIO - 1990 San Joaquin County and Tracy Area

	Households	Employed Residents Per Household	Employed Residents	Jobs	Jobs per Employed Resident
City of Tracy	11,208	1.41	15,495	8,965	0.58
Tracy Planning Area	14,903	1.40 <sup>1</sup>	20,864	15,294	0.73
San Joaquin County	158,156	1.21	191,111	182,123	0.95

Sources: 1990 U.S. Census; California Department of Finance; San Joaquin County Community Development Department, 1990; BASELINE.

Note: Tracy Planning Area is bounded by Old River, San Joaquin River, and Alameda and Stanislaus counties.

<sup>1</sup> This is an estimated number, based on the City of Tracy's ratio of 1.41. The other ratios for the City and County are from the 1990 U.S. Census.

## IMPACTS AND MITIGATION MEASURES

Impacts related to jobs/housing balance and affordable housing programs are generally considered as "economic and social information," and the CEQA Guidelines state that "economic or social effects of a project shall not be treated as significant effects on the environment" (Section 15131(a) of the CEQA Guidelines). However, the Guidelines also state that "economic or social effects of a project may be used to determine the significance of physical changes caused by the project" (Section 15131(b)) and "economic, social, and particularly housing factors shall be considered by public agencies together with technological and environmental factors in deciding whether changes in a project are feasible to reduce or avoid the significant effects on the environment identified in the EIR" (Section 15131(c)).

Impacts related to the jobs/housing balance and affordable housing program of the project are not significant impacts in and of themselves, but jobs/housing impacts may contribute directly or indirectly to other significant impacts upon the physical environment. The most obvious connections between jobs/housing and affordable housing programs are with environmental impacts such as traffic levels and air quality. The significant traffic and air quality impacts of the project identified in the "Transportation" and "Air Quality" sections of this DEIR could be lessened or increased depending upon the success or failure of the project's jobs/housing, economic development, and affordable housing programs. If fewer jobs or affordable housing units were created on the project site than anticipated, or the timing of the affordable units or jobs were slower, more auto trips and more air pollution could be generated, as project residents are forced to commute to employment centers in San Joaquin, Stanislaus, Alameda, and other counties.

Thus, the jobs and housing impacts that are considered important because of their relationship with traffic and air quality impacts are those that would result in 1) an imbalance between the planned number and type of jobs and housing units, 2) housing that is not affordable to residents employed on the project site or in the County, and 3) an excessively long rate of development for commercial and industrial land at the project site. Although the "Impacts" and "Mitigation Measures" format is used in this section, the Mitigation Measures listed below are recommended changes to the project's Jobs/Housing and Affordable Housing programs; the listed measures are not required to mitigate any significant impacts, since no significant "Population, Housing, and Employment" impacts have been identified.

**MASTER PLAN**

The Draft Master Plan contains Jobs/Housing and Affordable Housing policies and programs (Appendix C). The programs propose specific jobs/housing goals and affordable housing indices to be measured and evaluated at various project buildout times. The policies also propose the establishment of a Job Creation Program, including the hiring of a full-time job developer by the proposed Community Services District.

The applicant anticipates that the project site would build out over a 25-year period under a High Growth assumption. It is assumed that an average absorption (sales) rate of 800 residential units per year would occur. For non-residential land uses, the applicant projects that an annual average of 30 acres of commercial and industrial development and 25 acres of schools and public uses would be developed.

<b>Buildout of Project (Over 25 Years)</b>	
Average Residential Absorption	800 units/year
Average Commercial and Industrial Land Absorption <sup>1</sup>	30 acres/year
Average Public Land Absorption (Schools, etc.)	25 acres/year

<sup>1</sup> Excludes the two golf courses and the marina.

The proposed project is expecting to attract some of the overflow demand for single-family homes from the Bay Area that is now being met in Tracy, Manteca, and the Modesto area, with the construction of approximately 8,200 Medium Density homes. The applicant estimates that most of

these Medium Density homes (single-family homes on parcels approximately 5,000 square feet in size) would sell for average prices ranging from \$88,000 to \$186,000<sup>1</sup> per unit (Table 4.9-2). Approximately 4,900 Low Density homes at the project site are expected to range between \$205,000 to \$300,000. The project also includes almost 3,000 units of High Density and Medium-High Density apartments, condominiums, and senior citizen housing; most of these units would range between \$300 and \$610 in monthly rents. An additional 643 "extra allowable units" would be included in the \$300-\$390 monthly rental range. These 643 "extra allowable" affordable units are assumed to include 214 "second units" (in-law units), which would be constructed in Low and Medium Density neighborhoods and would be rented out to third parties at affordable prices, and an additional 429 High Density Senior units, which would be located in the Town Center or in High Density designated areas. An additional 643 second units are anticipated to be built.

TABLE 4.9-2

PROPOSED HOUSING DENSITIES AND PRICES

Density	Units	Home Cost/ Rental Rate
Very Low Density	67	\$425,000
Low Density	4,882	\$205,000 - \$300,000
Medium Density	8,232 <sup>1</sup>	\$88,000 - \$186,000
Medium-High Density apartments, condos, and senior housing	1,968 <sup>1</sup>	\$490 - \$610/month
High Density apartments, condos, and senior housing	956 <sup>1</sup>	\$300 - \$390/month
"Extra allowable units" <sup>2</sup>		
• Affordable second units	214	\$300 - \$390/month
• High Density senior units	429	\$300 - \$390/month
• Non-leased second units <sup>3</sup>	643	--
<b>Total</b>	<b>17,391</b>	

Source: The SWA Group, 1994a.

- <sup>1</sup> A small portion of this density total would be priced at higher sales prices or rental rates than are indicated here.
- <sup>2</sup> "Extra allowable units" are units in addition to the 16,105 planned units that are encouraged and permitted in the Town Center and High Density Residential areas, plus second units in the other residential areas.
- <sup>3</sup> These second units are assumed to be constructed, but would be used by the property owner of the main dwelling, and would not be rented to a third party, according to the applicant.

Buildout of the project's commercial and industrial acreage would result in approximately 12.4 million square feet of space. The proposed land use plan would allow development of approximately 4.7 million square feet of commercial space, and 7.7 million square feet of industrial space. Slightly less than half of the total space (5.77 million square feet) would consist of 331 acres of Limited Industrial uses. An additional 1.9 million square feet (110 acres) would be designated for General Industrial uses. The applicant assumes that the proposed project would prove attractive to high technology

<sup>1</sup> The residential sales prices anticipated by the applicant may change by the time that development of the project occurs. Competitive pressures within the region and in the Tri-Valley area (Alameda County), as well as within the project itself, would largely dictate the prices at which new homes were sold or rented.

firms that are searching for lower cost but "high quality image" locations within a reasonable driving distance of Silicon Valley in Santa Clara County.

Commercial space would consist of retail and office facilities. Approximately 783,000 square feet would be used for offices; the remainder would be retail stores and services. The retail uses proposed to serve Mountain House and the population of the surrounding area would consist of six community shopping centers (88 acres); twelve neighborhood shopping centers (25 acres); general commercial shops (63 acres); a 43-acre mixed-use Town Center; and 56 acres of offices. Regional-serving retail facilities would not be provided; demand for the merchandise sold through such outlets is expected by the applicant to be met outside of the project site.

**The applicant estimates that in addition to the jobs created by the on-site commercial and industrial uses, up to approximately 2,000 direct construction jobs would be created annually. The following analysis has not attempted to speculate about where in the State, or outside the State, construction workers for the project may be recruited, or whether the jobs would be unionized or not. The projected construction jobs have not been factored into the jobs/housing analysis in this chapter.**

#### **Impact M4.9-1**

**The proposed project may not attain an adequate balance between jobs and housing, especially during the initial phases of the project.**

The applicant projects that the new community would eventually generate approximately 21,925 jobs (Table 4.9-3). Assuming 1.44 workers per household,<sup>2</sup> the resulting jobs/housing ratio at the project site at buildout would be 0.99, or close to a balance of 1.0. This ratio would represent a significant change from the trend toward out-commuting that is currently occurring in the southwestern portion of the County.

The Draft Master Plan contains a program that requires the evaluation of the jobs/housing ratio goals at specific project buildout intervals. The program proposes minimum jobs/housing ratios that would constitute a target at five milestones of project development: at completion of about 4,000 housing units; 8,000 units; 12,000 units; 16,000 units; and buildout of all job-generating land uses (Table 4.9-4). The jobs/housing ratio performance of the new community would be monitored annually by the County, and at the specified milestone times the County Planning Commission and Board of Supervisors would review the progress of the program goals.

The Draft Master Plan indicates two different jobs/housing ratios that could be met at each milestone: a "minimum" jobs/housing ratio for each milestone, and a "best case" ratio that is four to nine

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<sup>2</sup> San Joaquin County had a ratio of only 1.21 jobs per household according to the 1990 U.S. Census; however, this ratio should rise as the County continues to urbanize. The City of Tracy measured 1.41 workers per household and Alameda County had a ratio of 1.54 jobs per household. The projected workers per household ratio for the project at buildout is based on a regression analysis prepared by the applicant's consultants (The SWA Group, 1994a).

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percentage points higher than the "minimum" ratio. For each 4,000-unit milestone, the required number of jobs to meet the ratios are calculated for "population-serving" (local) jobs and for basic (regional) jobs.<sup>3</sup> The Draft Master Plan anticipates that the minimum ratio for the project at the

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<sup>3</sup> Population-serving jobs are ones that provide services or goods to the on-site population, such as positions in accounting firms, beauty salons, grocery stores, and restaurants. Basic jobs, which include most manufacturing and office positions, are ones that locate on-site but do not necessarily provide services or goods to the local population.

TABLE 4.9-3

**PROJECTED JOBS/HOUSING RATIO AT BUILDOUT OF ALL JOBS  
High Growth Assumptions (Year 25)**

Total Employment at Buildout <sup>1</sup>		Projected Number of Units and Employed Residents at Buildout			Jobs/ Housing Ratio <sup>6</sup>
Employment Sector	Jobs	Dwelling Units	Employees per Household	Total Employed Residents	
Commercial	8,881	16,105 <sup>1</sup>	1.44 <sup>3</sup>	22,032 <sup>4</sup>	0.99
Industrial	11,771	17,391 <sup>2</sup>	1.44 <sup>3</sup>	23,791 <sup>4</sup>	0.92
Public	1,273				
<b>Total Jobs</b>	<b>21,925<sup>5</sup></b>				

Source: The SWA Group, 1994a; BASELINE.

<sup>1</sup> Unit count does not include 1,286 "extra allowable" units. This is the maximum allowable unit count. The minimum allowable is 13,974 units.

<sup>2</sup> Unit count includes 1,286 "extra allowable" units, one half of which is assumed to be in-law second units that would not be occupied by family members.

<sup>3</sup> Based on the applicant's estimate.

<sup>4</sup> Assumes a 5 percent vacancy factor for all built units.

<sup>5</sup> Does not include approximately 2,000 direct construction jobs created every year.

<sup>6</sup> Unlike the preceding section, the following analysis calculates the jobs/housing ratio by looking at the "required" amount of housing needed for all employed residents versus the amount of "available" housing, using the following equation:

$$\frac{(\text{Number of projected jobs} / \text{Estimated number of employed residents per household}) \times (1 + \text{a vacancy rate})}{\text{Number of housing units built}} = \frac{\text{"Required housing"}}{\text{Available housing}}$$

Calculating the ratio of projected number of employed residents divided by the number of projected jobs would result in a slightly lower jobs/housing ratio.

completion of Specific Plan I should be 0.70, increasing to 0.80 after 8,000 units had been constructed, and continuing to increase incrementally up to 0.95 by the time all the jobs had been added. The projected schedule of jobs and housing are based upon a High Growth scenario. If the high growth rates for jobs were not realized, or if the housing were absorbed at a lower rate than expected, the measured jobs/housing ratios could be significantly lower for the intervening years of the project.<sup>4</sup> The lack of a range of absorption estimates may make it more difficult for County staff to evaluate the performance of the project during the annual monitoring of the jobs/housing targets.

<sup>4</sup> The project would also create approximately 2,000 short-term construction jobs each year. The Draft Master Plan proposes that direct construction jobs generated solely to support the buildout of Mountain House would be considered as part of the annual program, monitoring the community's jobs/housing balance.

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TABLE 4.9-4

NUMBER OF JOBS REQUIRED TO MEET "BEST CASE"  
AND "MINIMUM" JOBS/HOUSING TARGETS  
At Four Project Milestones

	Approx. 4,000 Units <sup>1</sup>	Approx. 8,000 Units <sup>1</sup>	Approx. 12,000 Units <sup>1</sup>	Approx. 16,000 Units <sup>1</sup>
Housing Built	4,176	8,421	12,095	16,105
Employed Residents	5,713 <sup>2</sup>	11,520	16,546	22,032
Jobs Required ("Best Case" Ratio) <sup>3</sup>	(0.79)	(0.89)	(0.93)	(0.94) <sup>4</sup>
Population-Serving Jobs	2,259	5,068	8,067	11,080
Basic Jobs	<u>2,236</u>	<u>5,159</u>	<u>7,401</u>	<u>9,668</u>
Total	4,495	10,227	15,468	20,748 <sup>4</sup>
Jobs Required (Minimum Ratio) <sup>5</sup>	(0.70)	(0.80)	(0.85)	8
Population-Serving Jobs	2,259	5,068	8,067	11,080
Basic Jobs	<u>1,750</u>	<u>4,171</u>	<u>6,032</u>	<u>8,799</u>
Total	4,009	9,239	14,099	19,879

Source: The SWA Group, 1994a; BASELINE.

- <sup>1</sup> The exact unit counts correspond to the buildout of full neighborhoods, so the number of units is approximate. The unit counts do not include any "extra allowable units." The "housing built" totals assume the maximum allowable number of units are built in each neighborhood.
- <sup>2</sup> Assumes 5 percent vacancy and 1.44 workers per household.
- <sup>3</sup> These are estimates by the applicant (The SWA Group, 1994a) of the number of jobs needed to reach the "best case" jobs/housing ratio.
- <sup>4</sup> Full buildout of all jobs (to 21,925 positions) would occur approximately five years after full buildout of the housing. The jobs/housing ratio would then rise to 0.99 ("best case") or 0.95 (minimum ratio).
- <sup>5</sup> These are estimates by the applicant (The SWA Group, 1994a) of the number of jobs needed to reach the "minimum" jobs/housing ratio.

The Draft Master Plan includes three general policies that address how the project's Jobs/Housing Program will ensure that the goals can be met:

- (1) Job development activities shall target specific types of industry that tend to offer higher salaries, including:
  - biomedical, biotech, bioengineering
  - professional health care services
  - high-tech (i.e., chip manufacturing, software development)
  - voice and data communication hardware and services
  - financial services, real estate, accounting, and legal services



- (2) Non-residential land uses shall generally conform to the minimum job densities presented in Table 3.1: Land Use Program.
- (3) Land use allocations and regulatory controls shall support a jobs/housing balance and land use changes or regulatory changes will not be made without giving consideration to the effects on a jobs/housing balance.

The project proposes a job creation program consisting of passive marketing techniques; fast-track processing for sites ready for development; hiring of jobs development specialists by the Community Services District; and offering various incentives to prospective developers and tenants.

#### Mitigation Measure M4.9-1

(a) *To more realistically plan for a range of absorption rates, a "Low Growth" absorption schedule, as well as a "High Growth" schedule should be included in the Master Plan. The Jobs/Housing Program policies and Tables 3.7 and 3.8 should be revised to indicate the exact number of jobs that would need to be created on-site to reach the "minimum" jobs/housing ratio goals for each increment of housing development, under both "High Growth" and "Low Growth" absorption schedules. This additional information will assist County staff in evaluating the project's performance in meeting jobs/housing goals during the annual monitoring process.*

(b) *Implementations d) and e) under Objective 1, Jobs/Housing Program in Land Use (Appendix C) should be revised as follows:*

"d) *Jobs/Housing Reviews. The Jobs/Housing Program shall be monitored by the Review Authority as described in the monitoring and enforcement section below. In addition, the San Joaquin County Board of Supervisors shall hold a Public Hearing to review the progress of the Jobs/Housing Program at the following specified times:*

- *Prior to the approval of any Specific Plan, excluding the first Specific Plan or Specific Plan Amendment.*
- *~~When 4,000, 8,000, 12,000, and 16,000 residential units have been completed,~~ **Every three years after construction begins, but no sooner than after 2,000 residential units have been constructed, provided a Public Hearing on the progress of the Jobs/Housing Program Review has not already been conducted in the previous calendar year; or***
- *At any other times determined appropriate by the Board of Supervisors (e.g., **scheduling a Jobs/Housing Review by the Board to evaluate the circumstances for nonachievement of jobs/housing ratios**).*

*To determine whether the Community is meeting its jobs/housing goals, the following ~~specific jobs/housing ratios~~ will be tracked:*

- *Best Case Ratios: The jobs/housing ratio is estimated to improve over time from 0.79 by the end of the first seven years of Specific Plan I under the "High Growth"*

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schedule to 0.99 at project buildout. These "Best Case" jobs/housing ratios are presented in Table 3.7: *Analysis of Jobs/Housing Balance Over Time*; -

- *Minimum Ratios: The Minimum Ratio averages only 4 percent to 9 percent less than the Best Case Ratio; over time, the Minimum Ratio approaches the Best Case Ratio. Minimum Ratios for years or residential units not shown shall be interpolated. The Minimum Ratios are presented in Table 3.8: *Analysis of Various Jobs/Housing Scenarios Over Time*; and*
- *Minimum Job Densities: Commercial and Industrial land uses designated for each neighborhood should generally conform with the average densities shown in Table 3.1: *Land Use Program*."*

"e) *Enforcement. The San Joaquin County Community Development ~~Director~~ Department shall prepare a written report and findings and determine through the annual monitoring of the Jobs/Housing Program that the minimum jobs/housing ratios and minimum job densities (per Table 3.1 of the Master Plan) have been achieved ~~beginning after the first three years of construction~~. Annual monitoring shall include an inventory of built and occupied residential units, and gross commercial/industrial square footage built and occupied, broken down by land use category, with estimated number of employees for each land use category. In the event that the minimum jobs/housing ratios and minimum job densities (per Table 3.1 of the Master Plan) have not been achieved, the Board of Supervisors shall decide whether to schedule public hearings ~~shall be scheduled~~ before the Planning Commission and the Board of Supervisors to evaluate the circumstances for nonachievement, and to develop an appropriate course of action. The County Planning Commission shall make recommendations to the Board regarding the issue. Both the Planning Commission and the Board of Supervisors shall consider the following issues:*

- *Recent efforts in the job creation program;*
- *Commitments for future jobs;*
- *The financial effects that discontinued or interrupted residential development ~~will~~ would have on Community Services District operations, and public financing districts in the community;*
- *The effects of including construction jobs in the calculation of the jobs/housing ratio;*
- *The types of the jobs created to date (e.g., the wage scale or salary level of the jobs, and what portion are full-time or part-time positions) and how many of the new jobs are in "basic" industries (non-local);*
- *The relationship of the job creation rate in the project with local, State, and national economic or market trends and financing availability; and*
- *Efforts that have been made by the County to facilitate and encourage job development; and*

- **Actual job densities (jobs per acre or square foot) that have been achieved for commercial and industrial uses, compared to the average job densities specified in Table 3.1.**

*"Following consideration of all public testimony, written materials and recommendations of County staff and the Planning Commission, the Board shall ~~take one or both~~ **decide on a course of action to address the jobs/housing issue. Although the Board may take whatever action it deems appropriate to further jobs/housing goals, the Board shall focus on taking one or more of the following actions:***

- (1) **Find that no action is necessary and direct County staff to continue processing applications for the construction of additional residential units in the project as before; or**
- (+) (2) *Direct County staff to continue processing applications for the construction of additional residential units in the project according to revised jobs/housing targets*

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*that will ensure that jobs/housing ratio goals will be substantially met in the future; and/or*

- (2) (3) Recommend that certain actions be taken by the Master Developer and/or other developers within the project to increase job creation; and/or*
- (4) Approve future Specific Plans only if it can be demonstrated that the community will reach minimum jobs/housing ratios.**

**"Any proposed action by the Board that would constrain residential development shall require the preparation of a study for Board consideration and action that assesses the impacts on affected parties (e.g., the CSD, CFDs, private developers, bond shareholders, the County). This study shall also consider potential undesirable impacts arising from such Board action (e.g., possible restriction on the creation of population-serving jobs and region-serving jobs due to a reduction in population growth; possible limitation on the operation of existing population-serving and some region-serving businesses)."**

*(c) Guideline (d) under Monitoring and Enforcement should be moved to become an Implementation under Objective 1, Jobs/Housing and Affordable Housing (Appendix C) and should be revised as follows:*

~~"The following controls shall apply to the Jobs/Housing Program:~~

- ~~• Commercial and industrial land uses designated for each neighborhood should generally conform with the average job densities shown in Table 3.1: Land Use Program.~~
- Redesignation and rezoning of commercial and industrial land to non-employment uses (such as residential uses) shall be approved only if the County determines that the proposed redesignation or rezoning will not have a negative impact on the Mountain House Jobs/Housing and Affordable Housing programs."**

~~(d) The following should be added to the Monitoring and Enforcement Guidelines in the Land Use chapter:~~

~~"d) The annual monitoring effort shall identify and consider the actual job densities (jobs per acre or square foot of building) of commercial and industrial uses, in comparison to the average assumed job densities in Table 3.1."~~

#### **Impact M4.9-2**

**The proposed project may not provide a sufficient supply of housing that is affordable to Very Low and Low Income workers employed in the community, especially if 25 percent of the number of planned second units were not occupied by Very Low and Low Income renters.**

The Draft Master Plan includes an Affordable Housing Program, as required by the County General Plan 2010 for all new communities. The Affordable Housing Program can be considered a mitigation measure in and of itself, since without the inclusion of the program in the project some environmental impacts may be greater than without it. The applicant proposes to meet affordable housing goals by: 1) encouraging the construction of second units (also referred to as mother-in-law or granny units); 2) designating land for high density residential uses and pricing the units for low and moderate income households; and 3) creating a Mountain House Housing Trust Fund.

### **Second Units**

The Draft Master Plan indicates that construction of second units would conform to the requirements of the County Development Title, except as modified in the Master Plan or future specific plans. It is proposed that second units would not be considered when calculating maximum and minimum unit counts for neighborhoods or zoning districts, and that at least 6.5 percent of the total number of Residential/Very Low (R/VL), Residential/Low (R/L), and Residential/Medium (R/M) units approved for each neighborhood would be designated to include second units. The second units would be scattered throughout the Very Low, Low, and Medium Density areas of the project. Design standards for second units would be developed as part of the Mountain House Design Manual.

The County Development Title requires that second unit applications be reviewed by the Planning Director using the Staff Review procedure, which is an administrative, non-discretionary action, involving no public notice or formal public hearings. However, the Draft Master Plan proposes that the actual number of second units would be determined on a phase-by-phase basis at the time individual tentative subdivision maps are prepared.

The County Development Title places a number of restrictions on approved second units. The County requires that second units be limited to 1,200 square feet; constructed to observe the same yard and setback requirements as for the main structure; that they not intrude into the front yard; and that the second unit "shall be attached whenever possible, especially on parcels less than ten thousand (10,000) square feet" (Section 9-830.5(e)). This "attached" provision would apply to virtually all of the second units proposed in the project. The Development Title also requires the owner of the property to occupy either the existing single family structure or the proposed second unit structure at least 90 days out of each year.

### **"Extra Allowable Units"**

Up to 1,286 "extra allowable" housing units are proposed in addition to the proposed maximum of 16,105 housing units. The Draft Master Plan defines "extra allowable units" as "the additional residential units permitted and encouraged in the Town Center and Residential High Density areas, plus the second units permitted and encouraged in all neighborhoods of the community that are included in Planned Units but excluded in calculations relative to neighborhood minimum and maximum densities and General Plan densities."

The Draft Master Plan further states that:

"Although Extra Allowable Units have not been directly considered in the overall Master Plan and mitigation programs, it is assumed that the impacts associated with their construction are accounted for by the 5 percent residential vacancy. The 5 percent vacancy reduces impacts associated with schools, water, and sewer facilities, transportation, and other capital facilities and services. These reduced impacts, which also have not been considered in the overall Master Plan and mitigation programs, are a function of the residential densities. In other words, a low density unit generates more

students, more water/sewer usage, more trips, etc., than a high density unit. Consequently, additional R/H units and second units will generate less impact on an average per-unit basis than the impact reduced by a 5 percent vacancy across all residential land uses.

"The purpose of incorporating the extra allowable units into the community is to meet the needs of lower income households without increasing impacts on facilities and services that would exceed the impacts reduced by the 5 percent vacancy. The increased impacts generated by the additional units have been calculated and do not exceed the impacts reduced by the 5 percent vacancy."

The proposed 1,286 extra allowable units would consist of 857 second units and 429 additional High Density units built for senior citizens. Although the Draft Master Plan does not explicitly state it, the underlying assumption regarding the role of second units is that one-quarter of the 857 units (214 units) would be built and rented to low income households, while the remaining three-quarters of the second units (643 units) would be occupied by family members (Freudenberger, 1994).

The Draft Master Plan assumes that 280 additional senior units would be constructed in the Town Center, and 189 units would be included in the already designated Residential High Density areas, representing a 25 percent bonus density. The Draft Master Plan includes specific plan requirements that "The R/H and R/MH sites indicated by the Land Use Plan shall be developed primarily as senior housing, unless the need for such housing is determined not to exist during preparation of the Specific Plan for Neighborhood H," and, "Except for Specific Plan I, Specific Plans shall consider the need for additional senior housing sites, and shall designate sites where such a need is determined." Overall, the Draft Master Plan assumes that 25 percent of all senior citizen housing units would be affordable to Very Low or Low Income households.

### Housing Costs

The projected housing costs for the project range from an approximate monthly rent of \$300 (in current dollars) for a high density apartment to homes priced at over \$400,000 (Table 4.9-2). Housing affordability for Very Low Income households is defined by the U.S. Department of Housing and Urban Development (HUD) as a rent or mortgage level affordable to those earning up to 50 percent of the median household income for the area, which in San Joaquin County translates to families earning up to about \$19,000 annually.<sup>5</sup>

To meet the requirements of **Very Low Income** households, the project is proposing construction of 1,132 affordable units at buildout, including 489 High Density units; 429 "extra allowable" High

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<sup>5</sup> Note that the median household income for San Joaquin County in 1993 was \$38,200 annually, which means the "very low income" category, according to U.S. Housing and Urban Development guidelines, is up to \$19,100 annual income. The applicant's definition of "very low income" is slightly lower, up to \$17,500, or 46 percent of the median income for the County.

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Density units designated for senior citizens; and 214 second units (Table 4.9-5). The second units would be scattered throughout the R/VL, R/L, and R/M residential areas.

To meet the needs of **Low Income** households, the applicant is proposing 1,949 units of High Density and Medium High Density housing, including some of the units designated for senior citizens (Table 4.9-5). These units would have to be priced at a maximum rent level of approximately \$390 to \$610 per month to meet the Federal requirements for Low Income housing (affordable to families with an annual income between 50 percent and 80 percent of the County's median income).<sup>6</sup>

For **Moderate Income** households, earning an annual income between \$27,500 and \$42,500, the affordable apartments or homes would need to be priced between about \$610 to \$960 for rent, or between \$70,000 and \$137,000 as a home or condominium sales price.<sup>7</sup> Approximately 4,139 units of Medium Density and Medium High Density units are proposed for construction to meet this income category (Table 4.9-5).

The remainder of the units to be built within the new community would be priced to be affordable to households earning over 124 percent of the County median income, or over an average annual income of \$47,500. Approximately 9,527 units (57 percent of all units) would be priced at levels above Moderate Income. Overall, over three-quarters (77 percent) of the units planned for construction would be priced for families with annual incomes between \$32,500 and \$87,500.

#### **Mountain House Housing Trust Fund**

The Affordable Housing Program includes the establishment of a Mountain House Housing Trust Fund. The fund would receive per unit and per lot contributions from each housing unit that is constructed, excluding affordable units. Thus, the Housing Trust Fund would be funded by initial fees. Collection of fees would be the only aspect of the Trust fund that would be controlled by the master developer. The collected funds would be administered by a five-member Board of Directors, who would be charged with the responsibility of applying the money to "affordable housing needs in the community." The Board of Directors would consist of the Directors of the County Community Development Department and the County Housing Authority; a member of the Community Services District; and two other members, appointed by the Board of Supervisors, "who have demonstrated expertise and/or commitment to affordable housing as described by the San Joaquin County Affordable Housing Task Force." No specific subsidy programs or land cost "write-down" strategies are proposed in the Draft Master Plan, although background reports prepared by the applicant's consultants suggest that rent subsidies could be offered to Very Low Income households.

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<sup>6</sup> The applicant's definition of "Low Income" households is households with incomes up to \$27,500, which is slightly lower than the Federal definition (up to \$30,600).

<sup>7</sup> The applicant's definition of Moderate Income households is households with incomes between \$27,500 and \$42,500, which is lower than the Federal definition (\$30,600 to \$45,840).



TABLE 4.9-5

**PROPOSED AFFORDABLE HOUSING COSTS AND HOUSING UNITS**  
(In Current Dollars)

<b>Average Annual Household Income</b>	<b>Average Rent/ Housing Cost</b>	<b>Number of Units Proposed</b>
<u>Very Low Income</u> Up to \$17,500 (up to 46 percent of the San Joaquin County median household income) <sup>1</sup>	Up to \$390 rent Up to \$43,000 home sale price	489 R/H units <sup>2</sup> 429 Senior Citizen R/H units <sup>3</sup> <u>214</u> second units <sup>4</sup> 1,132 total units
<u>Low Income</u> Between \$17,500 and \$27,500 (46 to 72 percent of the San Joaquin County median household income) <sup>1</sup>	\$390-\$610 rent \$43,000-\$70,000 home sale price	467 R/H units <sup>5</sup> <u>1,482</u> R/MH units 1,949 total units
<u>Moderate Income</u> Between \$27,500 and \$42,500 (over 72 to 111 percent of the San Joaquin County median household income) <sup>1</sup>	\$610-\$960 rent \$70,000-\$137,000 home sale price	486 R/MH units <u>3,653</u> R/M units 4,139 total units
<u>High Income</u> Over \$42,500 (over 111 percent of the San Joaquin County median household income) <sup>1</sup>	Over \$960 rent Over \$137,000 home sale price	4,579 R/M units <u>4,948</u> R/L and R/VL units 9,527 total units
<b>TOTAL</b>		<b>16,748<sup>6</sup></b>

Sources: The SWA Group, 1994a; BASELINE.

Notes: R/H = High Density Residential (18 units per gross acre)  
R/MH = Medium High Density Residential (12 units per gross acre)  
R/M = Medium Density Residential (7 units per gross acre)  
R/L = Low Density Residential (4.5 units per gross acre)  
R/VL = Very Low Density Residential (1 unit per gross acre)

<sup>1</sup> The applicant's definition of income categories is slightly different from the U.S. Housing and Urban Development Department guidelines, but fall within the HUD range.

<sup>2</sup> This total for High Density units includes 200 units planned in the Town Center. This total may include some senior citizen units.

<sup>3</sup> This total for High Density senior citizen units includes the 429 "extra allowable units" that would be added in the Town Center and in already designated R/H areas.

<sup>4</sup> This total represents one-quarter of the planned second units, which are assumed to be rented out to Very Low Income households.

<sup>5</sup> This total may include some Senior Citizen units.

<sup>6</sup> This total does not include 643 second units which are assumed to be occupied by family members, and not rented out to third parties.

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The Draft Master Plan describes the Mountain House Housing Trust Fund as a non-profit California corporation which will collect affordable housing fees on all new market-rate housing. The fees are set at \$0.48 per square foot of livable area in a residential unit, plus \$0.06 per square foot of lot space. The Mountain House Housing Trust Fund Board of Directors "can use these revenues to supplement or supplant rent subsidies with assistance to affordable housing developers, land purchases, or other programs for lower income households."

Based on projections by the applicant, approximately \$50 million would be generated over 40 years through fee revenues, matching funds, and interest. The average one-time affordable housing fee per property would be about \$1,154.

##### **Affordable Housing Goals**

The Draft Master Plan proposes a Housing Affordability Program, to be monitored annually by the County, that would meet specific affordable housing goals (Table 4.9-6). The goals are a percentage of the total affordable housing requirement by income category to be achieved at about 4,000 unit increments throughout the project's construction. For example, by the time that approximately 8,000 residential units have been completed, the goal of 60 percent of the affordable housing requirement for the Very Low Income category would have been reached.

The approximate number of affordable units that must be reached in each increment and for each income category, based on the applicant's Affordable Housing goal, is calculated in Table 4.9-6. The purpose of the comparison is to quantify the Affordable Housing goals and to ensure that there are enough potential affordable units planned to meet the goals during various stages of project completion.

An adequate number of affordable housing units appear to be planned in the combined High and Medium-High Density and second unit categories to meet the affordable housing goals in the second half of the project (at the 12,000- and 16,000-unit milestones). By the buildout of the project, almost 3,100 affordable units would be required, and over 3,300 affordable units are proposed for construction. However, during Specific Plan I, 1,623 affordable units would be required and only 982 units would be provided. Similarly, at the 8,000-unit milestone, 2,141 affordable housing units would be required to meet the goals, and only 1,846 affordable units are proposed. The affordable housing goals for the various 4,000-unit milestones may be even more difficult to attain if the projected number of affordable second units and senior citizen "extra allowable" units are not constructed as scheduled and leased to Very Low or Low Income families.

Overall, the proposed Affordable Housing Program may rely too heavily on the use of second units and High Density senior citizen units to reach the goals for Very Low Income Households. There are no policies or programs to ensure that the large number of second units would be constructed, that they would be rented to Very Low Income households, or that they would continue to be occupied by Very Low Income households over time. Additionally, there are no policies and programs to ensure that the High Density and Medium-High Density units that are designated for Senior Citizens would be rented and occupied by Very Low and Low Income families over time.

TABLE 4.9-6

COMPARISON OF AFFORDABLE HOUSING GOALS AND PROPOSED HOUSING BY INCOME CATEGORY

Housing Required and Proposed by Income Category	Approximately 4,000 Units Completed		Approximately 8,000 Units Completed		Approximately 12,000 Units Completed		Approximately 16,000 Units Completed	
	Goal (Units) <sup>1</sup>	Proposed Units	Goal (Units) <sup>1</sup>	Proposed Units (Cumulative)	Goal (Units) <sup>1</sup>	Proposed Units (Cumulative)	Goal (Units) <sup>1</sup>	Proposed Units (Cumulative)
Very Low Income Housing Goal <sup>2</sup>	40% (453)	432	60% (679)	632	80% (906)	856	100% (1,132)	956
Proposed High Density Residential <sup>3</sup>		54		108		162		214
Proposed High Density Senior Housing <sup>3</sup>		0		0		207		207
Proposed "Extra Allowable" High Density senior units <sup>3</sup>		107		214		321		429
Low Income Housing Goal <sup>4</sup>	60% (1,170)	389	75% (1,462)	892	90% (1,754)	1,176	100% (1,949)	1,482
Proposed Affordable Medium-High Density Residential <sup>3</sup>		0		0		54		54
Proposed Medium-High Density Senior Housing <sup>3</sup>		0		0		0		0
<b>Total Goal</b>	<b>(1,623)</b>	<b>982</b>	<b>(2,141)</b>	<b>1,846</b>	<b>(2,660)</b>	<b>2,776</b>	<b>(3,081)</b>	<b>3,342</b>
<b>Total Units</b>								

Source: SWA, 1994a; BASELINE

<sup>1</sup> The calculation of the units which would meet the affordability goal is based on the "required housing" (taking into account a 5% vacancy factor) for each income category that has been identified by the applicant (see Table 3.10 in the Draft Master Plan).

<sup>2</sup> Households with annual incomes of up to about 46 percent of San Joaquin County median household income (up to \$17,500 annual income). This equals a monthly rent of up to approximately \$390 or a home price of approximately \$43,000.

<sup>3</sup> This is the number of units proposed within each density category. These income categories do not conform exactly with the expected cost of the housing in the density ranges, but are a general indication of how densities fit within affordability categories. It is assumed that the affordable second units, the "extra allowable" High Density senior citizen units, and the affordable R/MH would build out proportionately over time.

<sup>4</sup> Households with annual incomes of about 46 to 72 percent of San Joaquin County median household income (between \$17,500 and \$27,500 annual income). This equals a monthly rent of approximately \$390 to \$610, or a home price of approximately \$43,000 to \$70,000.

### Calculation of Affordable Income Ranges

The amount of affordable housing (Tables 4.9-5 and 4.9-6) that would be required in each income category relied upon the applicant's calculation of the expected income ranges of families that will work and/or reside within the Mountain House community. The applicant's Affordable Housing Program has been developed so that persons who work in Mountain House can potentially afford to rent or buy a home within the community but not to ensure that affordable homes would be available to employed or unemployed persons residing in less affluent parts of San Joaquin County, such as Stockton.

The Affordable Housing Program was developed by taking the income ranges that have been documented for the cities of Pleasanton, Livermore, Tracy, and Manteca and estimating similar income ranges for the Mountain House community. These income ranges were then "adjusted" to set a minimum average household income of \$12,730 for the project, which is the household income for two persons working at the legal minimum wage (\$4.25 per hour). The "adjusted" income categories thus do not reflect the possibility that workers within families may be unemployed, and also do not take into account the possibility that there may be one wage-earner households in the project that will earn the minimum wage.

### Mitigation Measure M4.9-2

*(a) The Affordable Housing Program in the Draft Master Plan should be amended to include policies and an implementation program that ensures qualified Very Low Income and Low Income families can rent or buy the designated affordable housing units. An income test should be applied to all potential tenants and home buyers for the High Density and Medium-High Density units proposed for affordable rents or condominium prices. The Senior Citizen housing units should be subject to the same income tests and restrictions as the other affordable units. **The assumptions for the Affordable Housing Program (Section 3.9.1 of the Draft Master Plan) should be amended to state that only one-quarter of the proposed number of Senior Citizen housing units is assumed to provide Very Low and Low Income housing opportunities.** The income qualifying mechanism could be administered by the Mountain House Affordable Housing Trust Fund, by the County, or by a reputable non-profit housing organization.*

*The Affordable Housing Program should also be amended to include policies and implementation programs to **ensure provide reasonable assurance** that the ~~designated number~~ of affordable housing units remain occupied by qualified Very Low and Low Income tenants or homeowners over time. The income test and verification process outlined above should be applied each time an affordable unit is vacated and re-rented or sold.*

*~~Alternatively, the Affordable Housing Program should be revised so that only one-quarter of the proposed number of Senior Citizen housing units is assumed to provide Very Low and Low Income housing opportunities.~~ **To increase the possibility that an adequate number of affordable housing units would be constructed earlier in the project and would continue to be occupied over time by Very Low and Low Income households, an additional 17 to 22 acres of land should be designated on the Land Use Map for High Density housing (which would create 300-400 units).***

(b) *The Affordable Housing Program goals for each 4,000-unit milestone should be amended so that the number of affordable housing units proposed for the first half of the project corresponds more closely with the proposed goals. The Affordable Housing Program policies and Table 3.12 in the Draft Master Plan should be revised to indicate the exact number of affordable units by income category in each 4,000-unit development increment, which would serve as the adopted Affordable Housing goals for the program.*

(c) *To clarify the assumed role of second units, the Draft Master Plan should be amended by adding a paragraph in the "Assumptions" section of the Jobs/Housing and Affordable Housing discussion. The added paragraph should state the assumption that one-quarter of the 857 planned second units will be affordable to low income households.*

(d) *The Draft Master Plan should be amended with an Implementation that requires that the Design Manual include Second Unit land use, zoning and design regulations (prepared prior to the first Development Permit). The Second Unit regulations should specify development standards such as maximum square footage and lot coverage, required setbacks from the existing primary structure and structures on adjacent lots, maximum height, and the maximum number of units that can be located on any given block within a neighborhood. Table 4.1 (Lot and Structure Standards) in the Draft Master Plan should be revised to include the Second Unit standards, or a reference to where the detailed design standards are located.*

(e) *The Mountain House Affordable Housing and Housing Trust Fund (MHHTF) programs in the Draft Master Plan ~~should provide additional detail. The Affordable Housing Program should not rely solely on rent subsidies. The Housing Trust Fund description in the Draft Master Plan Appendix~~ should include another example of how the MHHTF could be used to ensure the provision of affordable housing. It is recommended that the example provided describe ~~outlining~~ the possible involvement of the Trust monies in constructing High Density, Medium-High Density, and/or Second Units, ~~and including~~ marketing the units at affordable prices. To illustrate, the Affordable Housing Program ~~should consider~~ could include a plan to construct the High Density housing, and then dedicate and sell the units to an established non-profit housing corporation which can then manage the units. In this way, the independent non-profit corporation can take advantage of Federal tax incentives, and leverage additional funds from other housing programs. The Draft Master Plan should be amended to include policies ~~establishing the relationship between Trust programs,~~ concerning the construction, ownership, ~~and management,~~ and maintenance of affordable units using Trust monies, and provide a projected phasing schedule for the marketing of affordable units and collection of Trust monies.*

(f) *Implementations k) and l) under Objective 2 of Jobs/Housing and Affordable Housing (Appendix C) should be modified as follows:*

"k) *Affordable Housing Reviews. The Affordable Housing Program shall be monitored by the Review Authority as described in the monitoring and enforcement section below. In addition, the San Joaquin County Board of Supervisors shall hold a Public Hearing to review the progress of the Affordable Housing Program at the following specified times:*

- *Prior to the approval of any Specific Plan, excluding the first Specific Plan or Specific Plan Amendment; -*
- *~~When 4,000, 8,000, 12,000, and 16,000 residential units have been completed~~ **Every three years after residential construction begins, but no sooner than after 2,000 residential units have been constructed, provided a Public Hearing on the progress of the Affordable Housing Program has not already been conducted in the previous calendar year; or -***
- *At any other times determined appropriate by the Board of Supervisors (e.g., **scheduling of an Affordable Housing Review by the Board to evaluate the circumstances for nonachievement of affordability Indices**).*

"l) *Enforcement. To determine whether the Community is meeting its Affordable Housing goals, the specific minimum affordability indices presented in Table 3.12 will be tracked. The San Joaquin County Community Development ~~Director~~ **Department** shall prepare a written report and findings and determine through its monitoring of the Affordable Housing Program that the specified affordability indices have been achieved ~~beginning after the first three years of construction~~. Annual monitoring shall include an inventory of built and occupied residential units, broken down by sales price or rental price range. In the event that the minimum affordable housing indices have not been achieved, **the Board of Supervisors shall decide whether to schedule public hearings** ~~shall be scheduled~~ before the County Planning Commission and Board of Supervisors to evaluate the circumstances for nonachievement, and to develop an appropriate course of action. The County Planning Commission shall make recommendations to the Board. Both the Planning Commission and the Board of Supervisors shall consider the following issues:*

- *The portion of new High Density, Medium High Density, and Second Units that are being offered for rent or sale at affordable levels and have been occupied by Very Low Income and Low Income families;*
- *The amount of Housing Trust funds that has been collected and the Housing Trust programs that have been established and funded;*
- *The involvement of other public or private housing program monies that have been leveraged with Trust funds, whether any other specific programs will contribute to the Affordable Housing Program within the next two years, and the effects of the programs to ensure affordable housing opportunities;*
- *The types of the jobs created to date (e.g., wage scale or full or part-time) and what portion of the new jobs are "basic" (non-local); and*
- *The relationship of the Affordable Housing Program to local, State, and national economic or market trends and financing availability.*

*"Following consideration of all public testimony, written materials, and recommendations of County staff and the Planning Commission, the Board shall ~~take one or both~~ **decide on a course of action to address the affordable housing issue. Although the Board may***

**take whatever action it deems appropriate to further affordable housing goals, the Board shall focus on taking one or more of the following actions:**

- (1) Find that no action is necessary and direct County staff to continue processing applications for the construction of additional residential units in the project without modification to the Affordable Housing Program or process; or**
- (+)(2) Direct County staff to continue processing applications for the construction of additional residential units in the project according to revised Affordable Housing targets that will ensure that the Affordable Housing goals will be substantially met in the future; and/or**
- (+)(3) Recommend that certain actions be taken by the master developer, other developers, and/or by the MHHTF Board to increase the number and/or type of affordable units; and/or**
- (4) Direct County Staff to prepare a study for Board consideration and action that assesses the impacts of certain specified amendments to the Master Plan to achieve affordable housing goals (e.g., revising residential densities, adjusting the affordable housing fee, restructuring the Affordable Housing Program); and/or**
- (5) Approve future Specific Plans only if it can be demonstrated that the community will reach affordable housing targets.**

**"Any proposed action by the Board that would constrain residential development shall require the preparation of a study for Board consideration and action that assesses the impacts on affected parties (e.g., the CSD, CFDs, private developers, bond shareholders, the County). This study shall also consider potential undesirable consequences arising from such Board action (e.g., interruption in the flow of affordable housing fees into the MHHTF possibly adversely affecting new affordable housing development)."**

**(g) Guideline e) under Monitoring and Enforcement should be moved to become ~~an~~ two Implementations under Objective 2, Jobs/Housing and Affordable Housing (Appendix C) and should be revised as follows:**

**" • Redesignation of higher density residential land (e.g., multi-family R/H) to lower density land (e.g., single family R/M) uses shall be approved only if the County determines that the proposed redesignation or rezoning will not have a negative impact on the Mountain House Jobs/Housing and Affordable Housing programs.**

**"Subject to the provisions of Section 3.3: Land Use Regulations and Permitted Uses, residential densities in each land use category shall not fall below a specified minimum number of dwelling units per acre by neighborhood as indicated in Table 3.3: Maximum and Minimum Residential Units by Neighborhood."**

##### **SPECIFIC PLAN I**

Specific Plan I includes an absorption schedule that assumes all of the planned 4,176 housing units would build out within the first seven years of the project. The residential buildout schedule assumes that an average of 600 housing units would be "absorbed" (sold) each year.<sup>8</sup> While Specific Plan I includes approximately one-quarter of all planned housing for the new community, Specific Plan I includes almost one-half of all job-generating lands that are designated within the new community for development. By the time that all of the housing in Specific Plan I is constructed, about one-half of all of the industrial/business parks and shopping centers within Specific Plan I are assumed to be developed. The remaining jobs are expected to be created in the years after the 4,176 housing units have been constructed and occupied.

Under the Specific Plan I absorption schedule, by the end of the seventh year, almost 4,400 jobs are expected to be created, including 2,100 "population-serving" (primarily retail and service jobs) and 2,200 "basic" jobs (such as manufacturing or office jobs from firms that locate to the project site from elsewhere in the region or State). By the end of the tenth year, approximately 7,300 jobs are projected. The Specific Plan I absorption schedule assumes a three-year lag between housing construction and job creation.

Specific Plan I includes Jobs/Housing and Affordable Housing goals, similar to the goals established for the project in the Draft Master Plan. The Jobs/Housing and Affordable Housing goals are set for each of the first seven years of development under the Specific Plan.

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<sup>8</sup> Over all phases, the project anticipates an average absorption rate of 800 units per year, but the annual rates would be lower in the early years of the project and higher than 800 units in the later years.



**Impact S4.9-1 (C,O,M)**

**Specific Plan I may not attain an adequate balance between jobs and housing, especially during the initial phases of the project. Job creation on the site, particularly the creation of non-local-serving jobs, may substantially lag housing construction due to lack of available industrial sites that are serviced by available infrastructure, competition, and other market forces.**

Specific Plan I may not attain an adequate balance between jobs and housing, especially during the initial years. Although Specific Plan I assumes a three-year lag between housing and job development, the aggressive commercial and industrial land use absorption schedule provided by the applicant may not be achieved. Job creation on the site, especially the creation of well-paying, full time "basic" industrial and commercial jobs may substantially lag housing construction due to the infrastructure phasing plans and lack of available sites with services during the initial phases of the project.

Specific Plan I contains phasing policies that indicate the extension of long lead-time infrastructure and public services will be committed to the Old River Industrial Park, but not to other job generating land uses, such as the Mountain House Business Park near the Patterson Pass Road/I-205 interchange. Specific Plan I specifically excludes the Mountain House Business Park from the initial Community Services District boundaries, implying that the area could not be developed in the initial years of the project. Extension of services to the business park frontage along I-205 would be precluded until a major employer commits to funding the extension of water, sewer, and other lines and the property is annexed into the Community Services District.

The Jobs/Housing goals set for Specific Plan I assume a minimum jobs/housing ratio goal of 0.60 by the end of the fourth year of construction, with a "best case" ratio of 0.82 by that time. Assuming that housing construction occurs according to the applicant's "high growth" absorption schedule, a total of 927 local jobs and 538 regional "basic" jobs would need to be created to reach the "minimum" ratio goal. The absorption schedule included in Specific Plan I projects creation of more than 1,000 regional jobs by the end of the fourth year.

By the end of the seventh year of construction, a total of 2,134 local jobs and 1,875 regional jobs would be required to meet the "minimum" jobs/housing ratio of 0.70. The Specific Plan I absorption schedule projects more than enough jobs to reach this ratio. However, the ambitious absorption schedule may be difficult to attain if the Mountain House Business Park were not available for development, or were not annexed into the Community Services District until the later years of Specific Plan I.

**Mitigation Measure S4.9-1 (O,M)**

*(a) To maximize the availability of industrial sites for job creation in the early years of Specific Plan I, the Draft Specific Plan I boundaries should be ~~expanded~~ amended to incorporate lands the Old River Industrial Park expansion areas to the west and south of the Specific Plan I Old River Industrial Park that are not subject to Williamson Act Contracts (see also Mitigation Measure S4.1-1(a)). ~~These lands are already planned for addition to the Old River Industrial Park in later specific plans.~~ Alternatively, or*

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*in addition, the Draft Specific Plan I should be amended to include a policy that states the County and the CSD will support applications to expand the Specific Plan I boundaries to maximize job creation efforts. (o)*

*(b) Policies and implementations that specifically encourage the extension of infrastructure to the Mountain House Business Park in the early years of development should be added to Specific Plan I. ~~Specific Plan I should be amended to discuss the anticipated phasing schedule for extending services to the business park site. Figure 16.1 and the accompanying discussion in the Draft Specific Plan I should be amended to include the Mountain House Business Park in the initial Community Services District boundaries. (M)~~*

#### **Impact S4.9-2 (C,O,M)**

**Specific Plan I may not have a sufficient supply of housing that is affordable to Very Low and Low Income workers employed in the community.**

The Affordable Housing Program for Specific Plan I proposes the construction of 432 High Density units, approximately 54 second units, 389 affordable Medium Density units, and about 107 "extra allowable" Senior Citizen units, for a total of 982 affordable housing units. However, to reach the housing affordability goal of 40 percent for Very Low Income households and 60 percent for Low Income households at Specific Plan I buildout, a combined total of 1,622 units would be required (Table 4.9-7). Thus, an additional ~~490~~ **640** affordable units would need to be provided in other density ranges (e.g., in the Medium-High Density areas). Additionally, if the 54 second units and the 107 "extra allowable" High Density senior citizen units were not built as planned, or if they were not rented to Very Low or Low Income families, the Affordable Housing goals could be difficult or impossible to attain.

#### **Mitigation Measure S4.9-2 (C,O,M)**

*(a) To increase the number of affordable housing opportunities in Specific Plan I and attain the Affordable Housing goals, four to five acres of land should be redesignated from Low and Medium Density Residential to High Density housing to create 72 to 90 additional affordable units (see also Mitigation Measure M4.9-2(a)). Alternatively, or in addition to the redesignation of lands for more High Density housing, the Affordable Housing goals for Specific Plan I should be lowered to more accurately reflect the portion of total Very Low and Low Income housing that is expected to be completed during Specific Plan I. The Affordable Housing Program should be amended to comply with the other provisions of Mitigation Measure M4.9-2(a), e.g., establish income controls on the affordable housing units or assume that only one-quarter of the Senior Housing units will be available for Very Low and Low Income households. Alternatively, or in addition to the above measures, the number of High Density Residential units in each project or building could be increased if affordable housing goals are not being achieved.*

*(b) If annual monitoring of the Affordable Housing Program after year four of Specific Plan I indicates that the number of affordable units marketed and occupied in the High Density, Second Units, and/or Medium High Density categories has not reached a level that indicates the Affordable Housing indices will be achieved by the end of the Specific Plan, the County*

TABLE 4.9-7

**COMPARISON OF AFFORDABLE HOUSING GOALS AND PROPOSED HOUSING BY INCOME CATEGORY**  
Specific Plan I

Housing Required and Proposed by Income Category	YEAR 2 Approximately 800 Units Completed		YEAR 4 Approximately 1,800 Units Completed		YEAR 5 Approximately 2,500 Units Completed		YEAR 7 Approximately 4,200 Units Completed	
	Goal (Units) <sup>1</sup>	Proposed Units	Goal (Units) <sup>1</sup>	Proposed Units (Cumulative)	Goal (Units) <sup>1</sup>	Proposed Units (Cumulative)	Goal (Units) <sup>1</sup>	Proposed Units (Cumulative)
Very Low Income Housing Goal <sup>2</sup>	20% (226)		25% (283)		30% (340)		40% (453)	
Proposed High Density Residential <sup>3</sup>		132		132		282		432
Proposed Second Units <sup>3</sup>		15		30		37		54
Proposed High Density Senior Housing <sup>3</sup>		0		0		0		0
Proposed "Extra Allowable" High Density senior units <sup>3</sup>		30		60		75		107
Low Income Housing Goal <sup>4</sup>	45% (877)		50% (975)		50% (975)		60% (1,169)	
Proposed Affordable Medium High Density Residential <sup>3</sup>		110		221		276		389
Proposed Medium-High Density Senior Housing <sup>3</sup>		0		0		0		0
Total Goal	(1,103)	287	(1,258)	443	(1,315)	670	(1,622)	982
Total Units								

Source: SWA, 1994a; BASELINE

<sup>1</sup> The calculation of the units which would meet the affordability goal is based on the "required housing" (taking into account a 5% vacancy factor) for each income category that has been identified by the applicant (see Table 3.10 in the Draft Master Plan).

<sup>2</sup> Households with annual incomes of up to about 46 percent of San Joaquin County median household income (up to \$17,500 annual income). This equals a monthly rent of up to approximately \$390 or a home price of approximately \$43,000.

<sup>3</sup> This is the number of units proposed within each density category. These income categories do not conform exactly with the expected cost of the housing in the density ranges, but are a general indication of how densities fit within affordability categories. It is assumed that the affordable second units, the "extra allowable" High Density senior citizen units, and the affordable R/MH units would build out proportionately over time.

<sup>4</sup> Households with annual incomes of about 46 to 72 percent of San Joaquin County median household income (between \$17,500 and \$27,500 annual income). This equals a monthly rent of approximately \$390 to \$610, or a home price of approximately \$43,000 to \$70,000.

4.9 POPULATION, HOUSING, AND EMPLOYMENT

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*shall hold hearings, receive testimony, make findings, and take action as indicated in Mitigation Measure M4.9-2(f).*