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# EXECUTIVE SUMMARY

## CITY OF MODESTO

### 2001 URBAN AREA GROWTH POLICY REVIEW

#### INTRODUCTION

The City of Modesto Urban Area General Plan provides for a periodic review of the City's Urban Area Growth Policy (Review). The primary purpose of the Review is to assure that there is an adequate inventory of vacant and agricultural land served with urban infrastructure to accommodate anticipated economic development during the next five years. If there is not sufficient inventory, a *deficit* in the land needed is present, and additional land should be added to the Current Inventory.

The Review process includes:

- (1) preparation of an estimate of the land within the City limits now available for urban development;
- (2) preparation of an estimate, of the land needed for residential, commercial, and industrial development in the next five years to determine whether there is a *deficit* in the land available for development; and
- (3) identification of alternatives for providing additional land for development, if additional land is needed.

The Review process began in February 2001, and has included a series of public workshops and meetings with the City Council Community Development and Housing Committee. The full report is set forth below. This Executive Summary provides an overview of the investigation and analysis involved in preparing the Review, the conclusions, and the recommendations for further action by the City Council.

One of the issues raised throughout the Review process relates to advisory votes. If extensions of sewer trunk lines or other urban infrastructure is required to make additional land available for urban development, the City Council would be required to schedule a Measure A or M vote, or both, to cover the new areas.

#### LAND USE INVENTORY

The Land Use Inventory, or "Current Inventory," provides an estimate of the amount of land within the City limits served with urban infrastructure and currently available for urban development. The Current Inventory received close attention, and was a matter of much public discussion during the Review process.

The City's Urban Area General Plan provides various "designations" for the type of land uses that are permitted in particular areas of the community. The Current Inventory lists the various land use designations, and the amount of land available within each of them for current development.

The City's Current Inventory, identified by the General Plan land use designation, is set forth in **Table ES1** on the following page.

## EXECUTIVE SUMMARY

**Table ES1: Current Inventory of Land Available for Urban Development**  
(by General Plan Land Use Classification)

| Land Use                        | Total Current Inventory |
|---------------------------------|-------------------------|
| Residential                     | 262 acres               |
| Village Residential             | 997 acres               |
| Mixed Use                       | 117 acres               |
| Redevelopment Planning District | 50 acres                |
| Commercial                      | 7 acres                 |
| Regional Commercial             | 103 acres               |
| Business Park                   | 341 acres               |
| Industrial                      | 125 acres               |

As Table ES1 indicates, the majority of land available in the Current Inventory for residential uses is located in the Village Residential designation, with a density of 5.1 units per acre.

### **MARKET AND ABSORPTION SUMMARY**

The Review process compares the Current Inventory to the projection, or estimate, of the land that will be needed for economic development during the next five years.

Based on a review of the historic absorption and future estimates of market absorption of land in the *Business Park* and *Regional Commercial* land use designations, it appears there is a sufficient inventory of such land to accommodate urban growth for business park and regional commercial land uses for the next five years. The City may still bring in additional inventory for these uses without a Measure M vote, since non-residential uses do not require a Measure M vote. Pursuant to the Policy to implement the Growth Management Act of 1995, an advisory election shall be held before the City council approves, authorizes or appropriates funds for sewer improvements to any development project that has a **residential** component of five units or more.

A review of the historic absorption and future estimates of market absorption of land for *residential uses* indicates there is a *deficit* in the land needed to accommodate anticipated demand for residential development in the next five years. The amount of the *deficit* depends on the demand for residential housing actually experienced in the City during the next five years.

Three Alternatives were identified with regard to the future demand for residential housing, with the corresponding demand for acreage that would result. These Alternatives are estimates, based on an examination of historic trends and current economic conditions. In addition, population, housing, and employment projections issued by various State agencies and other organizations, including the Stanislaus Council of Governments (StanCOG) were considered. Table ES2, on the following page, identifies the three Alternatives.



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Table ES3 identifies a *deficit* in the land currently available for residential development in the community during the next five years. The Urban Area General Plan, in such a case, calls for the addition of new land to the Current Inventory.

The impact of the *deficit* is shown in the following scenario, using Alternative 2 as the basis for future residential housing demand. The annual demand for Village Residential acreage under Alternative 2 is approximately 398 acres (reduced from 438 acres), which takes into account the allocation of 1,000 residential units to other land use areas, as discussed above:

**Table ES4: Impact of Annual Acreage Demand on the Inventory**

| Event  | Impact      | Remaining Inventory |
|--|-------------|---------------------|
| <b>Current Inventory of Village Residential Land</b> |             | 997 acres           |
| Year 1 Demand  | (398 acres) | 599 acres           |
| Year 2 Demand  | (398 acres) | 201 acres           |
| Year 3 Demand  | (398 acres) | <b>Deficit</b>      |

Commentors from the building industry have indicated during the Review process that the length of time involved in the planning process in bringing product to the market can reach three years or longer when annexation is required. In the above case, the Current Inventory would be exhausted in Year 3, meaning that land areas identified for annexation and addition to the Current Inventory could be ready for development just as a deficit in the land available occurs, and perhaps later.

### **RECOMMENDATIONS FOR ADDITIONAL INVENTORY**

The above comparison indicates there is a *deficit* in the land available for residential development during the next five years. New land for residential development is located outside the City limits, in the various Comprehensive Planning Districts, in the Village Residential land use designation.

Selection of which Comprehensive Planning Districts should be the site for future urban development involves a number of factors. Each of the Comprehensive Planning Districts is discussed in detail in Section IV of the full report (see Table 5).

City staff and the consultant have identified one set of alternatives for City Council action. The City Council Community Development and Housing Committee, which has overseen the 2001 Urban Area Growth Review process, has considered that recommendation, and has forwarded it's own recommendation to the City Council. :

# EXECUTIVE SUMMARY

## Staff Recommendations

Staff recommends that the City Council take action to bring the following Comprehensive Planning Districts into the Current Inventory:

### 1. **Roselle/Claribel Comprehensive Planning District**

- A 480-acre portion of this CPD, located in the southwest quadrant, received a negative Measure A/M vote in 1997. While placing this Comprehensive Planning District before the voters again is not required by the provisions of Measure M, given that an advisory vote has been held, there were comments received during the review process that obtaining a second vote would be advisable, and could facilitate development of the CPD. The City Council has the choice to require a second vote for the area.
- Significant landowner interest in pursuing development of the 480-acre portion of the CPD is present.
- The City Council should consider extension of the sewer line to serve only the 480-acre portion. While the cost of extending sanitary sewer service to the entire CPD would be approximately \$3.5 million, extending the line to serve only the 480-acre portion would be approximately \$820,000.00.
- The 480-acre portion of this CPD contains 40 acres of land subject to Williamson Act contracts. Annexation of the 480-acre portion of the Roselle/Claribel Comprehensive Planning District would result in the addition of **440 acres of Village Residential land use area** to the Inventory, with a potential of 2,244 residential units at 5.1 units per acre.

### 2. **Johansen Comprehensive Planning District**

- Annexation of the Johansen Comprehensive Planning District would result in the addition of **486 net acres of Village Residential land use area** to the Inventory, with a potential of 2,478 units at 5.1 residential units per acre.
- Annexation appears to have the overwhelming support of landowners, who have pointed to serious impacts from nearby urban development on their farming activities.
- This CPD has potential to serve as a location for a range of housing in close proximity to employment centers.

If the City Council determines that additional acreage should be included in the Current Inventory, the remainder of the Kiernan/Carver CPD should be considered for annexation to the City:

### 3. **Kiernan/Carver Comprehensive Planning District**

- Annexation of this CPD would result in the addition of **571 net acres of Village Residential land use area** to the Current Inventory, with a potential of 2,912 residential units at 5.1 units per acre, and 422 acres of Business Park land use area.
- Landowner support is present, but no majority interest has been demonstrated.

## EXECUTIVE SUMMARY

- Annexation is a logical extension of the City's boundaries, and is consistent with the principle that development should be contiguous to areas already developed.
- The CPD is in close proximity to a trunk sewer line and the extension of the Pelandale Expressway.
- Annexation of this CPD, and extension of the trunk sewer line, will make it more feasible to develop the adjacent Kiernan/McHenry Comprehensive Planning District in the longer term. The Kiernan/McHenry CPD is designated for Business Park use. If the General Plan strategy of focusing economic development efforts on business parks eventually succeeds, the City will need additional acreage for this purpose.

If the 480-acre portion of the Roselle/Claribel CPD and the Johansen CPD are included in the Current Inventory, actual development of these areas would most likely not occur for at least three years. The impact of including these land areas in the Inventory is illustrated below, again using Development and Market Demand Alternative 2 as an example:

**Table ES5: Impact of Annual Acreage Demand and New CPDs on the Inventory:  
Alternative 2 (Mid-Point)**

| Event  | Impact           | Remaining Inventory        |
|--|------------------|----------------------------|
| <b>Current inventory of Village Residential land</b> |                  | 997 acres                  |
| Year 1 Demand  | (398 acres)      | 599 acres                  |
| Year 2 Demand  | (398 acres)      | 201 acres                  |
| Year 3 Demand  | (398 acres)      | <b>Deficit (197 acres)</b> |
| <b>Roselle/Claribel CPD on market</b>                | 440 acres        | 243 acres                  |
| <b>ADD Johansen CPD on market</b>                    | <b>486 acres</b> | 729 acres                  |
| Year 4 Demand  | (398 acres)      | 331 acres                  |
| Year 5 Demand  | (398 acres)      | (-67) acres                |

Under this scenario, the Current Inventory would include sufficient land available for urban residential development for a 2 year period, a deficit would be encountered at year 3, and a small deficit would be encountered at the end of year 5. With the inclusion of the Johansen and Roselle/Claribel CPD's a deficit would occur at year-five. The illustration highlights the fact that the assumptions made regarding the future market demand, and the realities of completing annexation and bringing actual product to market, have a significant effect on whether the inventory is, in actual experience, sufficient to meet market demand. Bi-annual review of the Growth Policy will ensure that an adequate inventory is maintained.

# EXECUTIVE SUMMARY

## OTHER RECOMMENDATIONS

The Review includes several other recommendations concerning the Urban Area Growth Policy Review Process:

### **Infrastructure Financing Policy**

The City's recent experience in infrastructure financing in the Village One Comprehensive Planning District indicates the need for new infrastructure financing strategies. The City should review its current policies, and finance new urban infrastructure, when feasible, through bonding of improvements in advance of development. A component of this infrastructure issue that should be reviewed involves the phasing of improvements, and ensuring that the various urban components are installed in a timely manner, as needed. This has not been the experience in Village One.

### **Housing Mix**

Achieving a reasonable mix of single-family and multi-family residential housing is a challenge faced by every community, including Modesto. The City should identify this as a priority, and take actions that are likely to result in the construction of sufficient multi-family housing units. One alternative is to clearly identify areas for multi-family development in the early planning stages for newly urbanizing areas through the Specific Plan process. Other efforts could include requiring that a specific percentage of Village Residential land area be committed to multi-family housing, with specific density targets, and modifying the capital improvement fee system to provide advantages for those developing multi-family housing.

### **Prime Farmland And Impact On The Review**

The State of California generally, and the Central Valley in particular, are experiencing a continuing loss of land from agricultural production. While protection of valuable agricultural lands is an important issue, that issue will come into clearer focus in the longer term, if, in the future, the City undertakes an effort to expand its Sphere of Influence. No such action is contemplated in the five-year horizon utilized in the Review.

### **Unincorporated Islands**

The Committee has expressed continuing interest in evaluating the future of the unincorporated islands that exist within the City limits. Staff recommends the following strategy be considered for the county island areas pursuant to current policy to implement Measure M:

#### **a) Substantial Infill Areas:**

The Modesto Citizens' Advisory Growth Management Act of 1995 requires significant preparation in advance of scheduling Measure M votes for the most substantial Infill Areas (i.e. unincorporated islands). Prior to scheduling the most substantial infill areas for a Measure M vote, City and County officials should meet to discuss tax sharing agreements and other fiscal matters. Staff recommends that the City Council direct staff to accomplish this task for the next Urban Growth Review Update.

### **b) Infill Areas not deemed “substantial”:**

Pursuant to Policy 5(c) of the Modesto Citizens’ Advisory Growth Management Act of 1995 “the City Council, at its sole discretion, may determine that certain infill areas are not “substantial” and therefore, would not be dependent on negotiations with the County. Staff recommends that for the purpose of this policy, unincorporated island areas 75 acres and less be considered not substantial, and not dependent on negotiations with the County. Based on this policy, the City Council may wish to place infill areas, 75 acres or less, on the ballot for a Measure M vote. This approach affects four (4) individual island areas totaling 131 acres. A map identifying the island areas will be provided with the report.

The Community Development and Housing Committee has recommended revisions to the existing City Council Policy regarding implementation of Measure M to facilitate consideration of the unincorporated islands. The recommendations by the CD&H committee have been forwarded to the City Council via separate memorandum.

### **Bi-Annual Review Of The Urban Growth Policy And Inventory**

The Urban Area Growth Policy Review can serve as a sound planning tool for the community, but only if it reflects existing reality. This includes a reasonable estimate of land currently available for development, as well as an ongoing assessment of infrastructure financing strategies, state of the economy, and current market demand.

Given these objectives, there was a clear consensus in the comments received during the review process that supported a bi-annual review of the Growth Policy.

### **CONCLUSION**

Based on the standards set forth in the City’s General Plan, there is not a sufficient inventory of land currently available for residential urban development for the next five years in the City of Modesto. In order to meet the anticipated demand, the City should identify areas that are appropriate for future urban development, and increase the Current Inventory. The report recommends that the 480-acre portion of the Roselle/Claribel Comprehensive Planning District and the Johansen Comprehensive Planning District be considered for annexation and inclusion in the Current Inventory. Should the City Council determine that additional acreage be included in the current inventory, consideration should be given for the addition of the remaining portion of the Kiernan/Carver Comprehensive Planning District for inclusion in the Current Inventory.

**CITY OF MODESTO**

**2001 URBAN AREA GROWTH POLICY REVIEW**

**I. INTRODUCTION**

The 2001 Urban Area Growth Policy Review (the Review) has been prepared pursuant to the City of Modesto 1995 Urban Area General Plan. The Review: (1) identifies the vacant and agricultural land within the City limits served with urban infrastructure that is available for urban development; (2) estimates the demand for residential, regional commercial, and business park land in the next five years, and compares the Inventory to the projected market demand; and (3) recommends alternatives for City Council action.

The City Council's Community Development and Housing Committee held six public workshops this year concerning the Review: February 21, March 21, April 18, May 16, May 29 and May 30, 2001. In addition, staff and the City's consultant attended a public meeting on April 25, 2001, requested by both the building trades and previous attendees of past workshops, to review the information obtained during the Review process and to discuss the preliminary findings that had been presented. Written and e-mail comments received during the Review process are being provided to the members of the Committee and City Council under separate cover, and will be available for public review.

The following maps have been prepared as part of the Review. These maps are based on information obtained from City records, records of the Stanislaus County Assessor, and information provided by the public during the Review process. These are attached as exhibits:

- Map 1: Planning Areas: Maps and Measure A/M
- Map 2: Williamson Act Contracts and Protests
- Map 3: Vacant Lands in Baseline Developed and Redevelopment Areas
- Map 4: Sewer Trunk Lines
- Map 5: Developer Proposals
- Map 6: Unincorporated Island Areas

Measures A and M, adopted by the voters of Modesto, provide for an advisory vote if, with certain exceptions, sewer trunk lines or urban infrastructure (e.g., roads, water lines) are proposed for extension into areas that were previously undeveloped. If the City Council were to decide that extension of sewer trunk lines or other urban infrastructure is required in order to open a Comprehensive Planning District to development, an advisory vote would be required.

**II. LAND USE INVENTORY**

The Current Inventory includes vacant and agricultural land within the City limits that is feasibly available for current development. Those parcels of less than two acres in size were not considered as being available for urban development, based on the special efforts and development expertise that are often required in connection with development of such areas.

## POLICY REVIEW

Parcels of land subject to tentative or final maps under the State Subdivision Map Act, and acreage committed to school sites were also excluded from the Inventory.

Land subject to tentative and final maps was excluded from the Current Inventory based on comments received from the development community that such areas would rapidly be absorbed through construction and sale. Other commentators have indicated, however, that if these areas are excluded from the Current Inventory, the future demand projections should be reduced, since these areas would provide housing units for the future market. Each of these perspectives has merit. The recommendation to exclude such areas from the Current Inventory is based on the consideration of the Urban Area General Plan directive to ensure that adequate Current Inventory is available for urban development, and errs, if at all, on the side of making more areas, rather than fewer areas, available for urban development.

A total of 1,336 acres subject to tentative and final maps was excluded from the inventory of land available in the Planned Urbanizing Area. See Appendix 2, Table 2.

A request was made during the Review process for more detailed information concerning tentative and final maps. Staff conducted a permit survey, and the results are included in Appendix 1. The survey was made for the purpose of providing approximate acreages for tentative maps, final maps, and lots subject to final maps that have yet to be developed, and would, therefore, be available to respond to future demand. The results were as follows:

|                                |   |
|--------------------------------|---|
| Tentative maps:                | 360 total acres                         |
| Final maps:                    | 1,049 total acres                       |
|                                | 4,530 total approved lots               |
|                                | <u>2,999 permits issued</u>             |
| Undeveloped Lots:              | 1,531 lots<br>at 6,500 square feet each |
| Estimated Undeveloped Acreage: | 228 acres<br>(1,531 x 6,500 / 43560)    |

Staff based the estimate of acreage on a standard lot size of 6,500 square feet. This is only an estimate. It appears, however, that the staff assessment that 360 acres of land is subject to tentative maps, and 228 acres remain in undeveloped lots, is reasonable. The total is 588 acres.

The General Plan assigns land use designations to land areas. Some areas are designated, for example, for residential development (e.g., Residential, Village Residential). Some areas may contain both residential and commercial or other uses (e.g., Mixed Use). The Inventory identifies the total acreage available according to the land use designation, so that a comparison can be made between the existing inventory, and the amount of land needed to respond to future market demand.

The existing inventory is set forth in **Table 1**, on the following page.

**Table 1: Current Inventory of Land Available for Urban Development**

| <b>Land Use</b>                        | <b>Total Current Inventory</b> |
|--|--------------------------------|
| <b>Residential</b>                     | <b>262 acres</b>               |
| <b>Village Residential</b>             | <b>997 acres</b>               |
| <b>Mixed Use</b>                       | <b>117 acres</b>               |
| <b>Redevelopment Planning District</b> | <b>50 acres</b>                |
| <b>Commercial</b>                      | <b>7 acres</b>                 |
| <b>Regional Commercial</b>             | <b>103 acres</b>               |
| <b>Business Park</b>                   | <b>341 acres</b>               |
| <b>Industrial</b>                      | <b>125 acres</b>               |

An explanation of the methodology used in compiling the Inventory is included as Appendix 2 to this report.

**III. MARKET DEMAND AND INVENTORY COMPARISON**

Three types of future development were examined: commercial and regional commercial, business park, and residential.

**A. Commercial and Regional Commercial**

Commercial development, including retail and professional office use, is permitted in several land use designations: Mixed Use, Redevelopment Planning District, Commercial, and Village Residential. In areas designated as Village Residential, 4% of the land area is designated for commercial uses, designed to serve the needs of the developing residential community. Ensuring adequate land for commercial uses is, to some extent, part of the design of these developing areas.

Some areas are designated for “Regional Commercial” uses. According to the General Plan, these areas should provide for large-scale commercial areas for the sale of goods and services that meet the needs of the region as well as the community.

One means of estimating future demand for *regional* commercial activity is to review the recent history of the City in issuing permits for such development. Building Department records are not maintained specifically for the regional commercial category, but the Highway Commercial (C-3) zoning district corresponds generally to this type of use. During the period 1995-2000, City records indicate a total of 783,000 square feet of commercial space was constructed in the C-3 zone district. The land area involved in this development was approximately 51 acres. The actual land area absorbed by such development is somewhat larger than this. The demand for regional commercial property may increase in the next five years, but it does not appear at this time that such increase would greatly exceed the absorption rate during the past five years.

The Land Use Inventory (see **Table 1**) identifies 103 acres that has been designated for Regional Commercial uses. There may be changes in the economic environment that would significantly increase the absorption rate for these areas. Based on recent experience and assuming continuation of current trends, there appears to be no inventory deficit, and no need to identify additional land for this use.

**B. Business Parks**

The Urban Area General Plan focused on business park development as a means of creating jobs in the community, improving the jobs-housing balance, and improving the City’s fiscal base through increased property valuations. Building Department records are not maintained specifically for the business park category, but development of land uses similar to business park activity has been identified, as shown in **Table 2**:

**Table 2: Historic Business Park Development in the City, 1995-2000**

| <b>Zoning District</b>            | <b>Square Footage</b>  |
|-----------------------------------|------------------------|
| General Commercial (C-3)          | 200,488 sq. ft.        |
| Professional Office (PO)          | 62,000 sq. ft.         |
| Commercial/Light Industrial (C-M) | 9,000 sq. ft.          |
| Light Industrial (M-1)            | 150,000 sq. ft.        |
| <b>Total</b>                      | <b>421,488 sq. ft.</b> |

Based on this development, and the land use density allowed for the above uses, approximately 28 acres of land was developed with business park uses in the period 1995-2000.

Key factors influencing business park development include proximity to Highway 99 and other convenient access to the transportation grid; availability and cost of infrastructure; and the cost of land in comparison to other areas that are in competition with Modesto.

The demand for business park property may increase in the next five years, and it is possible that success in developing one or two large business park projects could spur significant new activity. The City could respond to such additional demand in a timely manner, especially since some areas designated for business park uses (e.g., College West CPD) would not require an advisory vote in connection with development.

The Land Use Inventory (see **Table 1**) identifies 341 acres that have been designated in the General Plan for Business Park uses. For the purposes of Urban Growth Review Update, no additional land has been identified for this use. The City is actively engaged in developing strategies to promote such uses.

The City of Modesto City Council has placed a priority on expanding the City’s economic base and high-income job opportunities in the community. In response to the City Council’s priority, the City has initiated a Business Park Development Program. As part of this effort, City staff has prepared an Action Plan for the successful development of several large, vacant business park properties in the City. The sites included in the Action Plan and analysis area as follows:

FMC Site (Kansas Avenue) – 45 acres  
Modesto Junior College (MJC) site – 49 acres  
Northwest Business Park (College West CPD) – 240 acres  
Kiernan II Site – 153 acres  
Village One Site – 220 acres

The above sites provide for a total of 707 acres of land for future business park development in the city. For the purposes of Urban Growth Review, no additional land designated Business Park is recommended to be placed on the ballot for a measure A/M vote. The College West CPD (240 acres) does not require an advisory vote, as the trunk sewer line that extends through this property was constructed prior to adoption of Measure A/M policy. The FMC site (45 acres) is located within the Redevelopment Area; The Kiernan II site and the Village One CPD are already annexed.

The City's current efforts to facilitate business parks development provide both guidance and encouragement to others interested in pursuing business park development in the City of Modesto. These efforts, and other economic factors that might encourage such development, should be monitored on an ongoing basis to ensure that the Inventory of land designated for business park uses remains adequate.

### **C. Residential**

Residential activity primarily consists, for purposes of the Review, of two types of units: single-family residential units, and multi-family units (condominiums or apartments).

Housing development in the City has been cyclical, with strong periods of housing development, and intervening periods of relative housing drought. Since 1990, the number of multi-family units constructed has fallen precipitously, a fact noted in recent reports presented by City staff to the Planning Commission.

In developing estimates of the future demand for residential housing in the next five years, several sources were used. The past experience in the City of Modesto housing market is relevant, as well as employment and population data. The methodology used in preparing estimates of future housing activity is set forth in Appendix 3. Three alternatives were prepared, with the goal of providing projections for relatively high and low development activity, and a mid-point for comparison purposes. Alternative 1 is consistent with the housing projections issued by the Stanislaus Council of Governments (StanCOG); Alternative 2 is established as a mid-point between the other two Alternatives, and corresponds to an annual population growth rate of approximately 3.3%; Alternative 3 corresponds to an annual population growth rate of 2.7%, generally consistent with the historic population growth rate of the community.

**Table 3**, on the following page, identifies the number of residential units (including single-family and multi-family), the annual demand in terms of acreage, and the estimated percentage rate of population growth, that would occur under each of the three alternatives.

**Table 3: Estimated Demand for Residential Units, 2001-2006**

| Alternative                       | Housing Units Needed | Annual Acreage Needed at 5.1 units per acre | Estimated Population Growth |
|-----------------------------------|----------------------|---|-----------------------------|
| Alternative 1: (StanCOG)          | 13,114 units         | 514 acres                                   | 3.8%                        |
| Alternative 2: (Mid-point)        | 11,163 units         | 438 acres                                   | 3.3%                        |
| Alternative 3: (City Growth Rate) | 9,212 units          | 361 acres                                   | 2.7%                        |

Each of the above projections may be reasonable, though growth could occur at a faster or slower rate. The recent downturn in the national and state economies may slow the rate of increase in property values and rental rates in the Bay Area and Silicon Valley, and at least some of the demand for housing in the City of Modesto is generated by those seeking relatively affordable housing while commuting to work in areas to the west. Likewise, other unpredictable factors such as the exact economic effects of the state’s electricity crisis, or recent downgrading of the State’s bond rating, could result in a reduction in housing demand.

On the other hand, the City of Modesto, and the Central Valley in general, will absorb significant population increases in the next 20 years, a substantial portion of which will be internal growth. While housing demand in the City has not, at least in recent times, been primarily fueled by the generation of jobs in relatively highly paid vocations, the City’s commitment to business park development as an economic engine does not appear to be misplaced. Strong activity in the business park arena is occurring in the Sacramento area, as well as other communities in the Modesto vicinity. The relocation of one or two major employers to Modesto, or the emergence of a home-grown enterprise that is dramatically successful, could significantly improve the market for business park construction.

One of the commentators during the public workshops encouraged the City to look forward and not be bound by the limitations of the past. Not only is this sound advice for maintaining confidence in the community, it is entirely consistent with the directions provided by the General Plan.

Some housing development in the next five years will occur in the Residential, Mixed Use, and Redevelopment Planning District areas. If the Residential and Mixed Use areas were built out at the density called for in the General Plan, a total of approximately 2,901 units could be built.<sup>1</sup> This is unlikely to occur within the next five years, and it is likely the density of development would be less than the maximum allowed. Given the City’s commitment to economic development of the entire community, it has been assumed that a total of 1,000 units would be constructed in these areas during the next five years, allocated as follows on the following page.

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<sup>1</sup> The General Plan provides for the maximum density in land use areas as follows: Residential (7.5 units per acre); Mixed Use (14 units per acre, with 60% of the land area devoted to residential); Village Residential (5.1 units per acre). No density is provided for the Redevelopment Planning District, which is projected to eventually include 2,300 residents.

## POLICY REVIEW

| Land Use Designation                               | Units absorbed                       |
|--|--------------------------------------|
| Residential:                                       | 100 units per year = 500 units       |
| Mixed Use:   | 50 units per year = 250 units        |
| Redevelopment Planning District:                   | 50 units per year = <u>250 units</u> |
| <b>TOTAL demand for five-year Inventory period</b> | <b>1,000 units</b>                   |

The remaining demand for residential housing would be absorbed in the Village Residential land use areas. The General Plan calls for a density of 5.1 units per acre in the Village Residential land use areas.

**Table 4** identifies the units allocated to Village Residential under each Alternative, the land area required in Village Residential to construct that number of units, and the *deficit* in the Current Inventory. The units shown in Column A for construction in the Village Residential land use areas have been reduced by 1,000 units, the estimated number of units that would be absorbed by other land use areas (see discussion above). The acres needed are based on the General Plan maximum density of 5.1 units per acre.

**Table 4: Village Residential 5-Year Current Inventory Deficit**

| Development and Market Demand Alternative     | Column A<br>Village Residential Units Needed<br>(1,000 units to other areas) | Column B<br>Village Residential Acres Needed<br>Density: 5.1 units per acre | Column C<br>Village Residential Current Inventory<br>From Table 1 | Column D<br>Village Residential Deficit<br>Column B minus Column C |
|---|--|---|---|--|
| <b>Alternative 1</b><br>(3.8% StanCOG rate)   | 12,114 units   | 2,375 acres   | 997 acres   | <b>1,378 acres</b>   |
| <b>Alternative 2</b><br>(3.3% mid-point rate) | 10,163 units   | 1,993 acres   | 997 acres   | <b>996 acres</b>   |
| <b>Alternative 3</b><br>(2.7% DOF rate)       | 8,212 units  | 1,610 acres   | 997 acres   | <b>613 acres</b>   |

The *deficit* in the Current Inventory for the projected residential demand in the next five years ranges from a total of 613 acres to 1,378 acres, depending on which market projection is viewed as the most realistic. In any event, there is an existing *deficit* of land within the City limits served with urban infrastructure and available for urban development for residential housing. In this situation, the General Plan provides that additional land be made available for new urban development.

**IV. LAND FOR POTENTIAL ADDITION TO THE INVENTORY**

Additional land for possible inclusion in the Inventory is located primarily within those areas identified as Comprehensive Planning Districts that have not been annexed to the City. Two County island areas that have previously received a positive Measure M vote are located west of Highway 99, and may contain land for additional Inventory.

The Comprehensive Planning Districts, and acreage available within each land use designation, are identified in **Table 5**, below. The column labeled “Williamson Act” sets forth the acreage, if any, within the CPD that is subject to a Williamson Act contract. Such a contract restricts development on the affected parcel for a ten-year period, and such acreage would not, therefore, be available for development within the five-year inventory period. In some cases, the City has filed a protest regarding the contract, which protest has been upheld by the Stanislaus County Local Agency Formation Commission (LAFCo). The City believes any contract as to which a valid protest has been filed would terminate at the time of annexation. Acreage subject to such a protest is not listed, and is considered as being available for urban development upon annexation.

Some commentors suggested that acreage allocated for school sites be deducted from land available for development. Such a deduction was not made, based on the Urban Area General Plan consideration of such uses in setting the overall density for residential development at 5.1 units per acre. The gross density factor of 5.1 units per acre already factors in schools, parks and public rights-of-way.

Table 5 lists the total acreage in the Roselle/Claribel Comprehensive Planning District. A 480-acre portion of this CPD has previously been the subject of an advisory vote. This 480-acre portion, located in the southwest quadrant, includes 40 acres of land subject to Williamson Act contracts. The net available Village Residential acreage in the 480-acre portion is 440 acres.

**Table 5: Land Area Available in the Comprehensive Planning Districts (Unincorporated)**

| <b>CPD</b>                    | <b>Land Use</b>            | <b>Total Acres</b> | <b>Williamson Act</b> | <b>Net Acres Available for Inventory</b> |
|-------------------------------|----------------------------|--------------------|-----------------------|--|
| College West                  | Business Park              | 239 acres          | (83)                  | 156 acres                                |
| Empire North (unincorporated) | <b>Village Residential</b> | <b>166 acres</b>   | <b>(69)</b>           | <b>97 acres</b>                          |
| Fairview (unincorporated)     | <b>Village Residential</b> | <b>119 acres</b>   | <b>(119)</b>          | <b>0 acres</b>                           |
| Hetch Hetchy                  | <b>Village Residential</b> | <b>870 acres</b>   | <b>(63)</b>           | <b>807 acres</b>                         |
|                               | Regional Commercial        | 104 acres          |                       | 104 acres                                |
| Highway 132                   | Business Park              | 660 acres          | (363)                 | 297 acres                                |

## POLICY REVIEW

| CPD                | Land Use            | Total Acres | Williamson Act | Net Acres Available for Inventory |
|--------------------|---------------------|-------------|----------------|-----------------------------------|
| Johansen (1)       | Village Residential | 501 acres   | (15)           | 486 acres                         |
| Kiernan/Carver     | Village Residential | 571 acres   |                | 571 acres                         |
|                    | Business Park       | 422 acres   |                | 422 acres                         |
| Kiernan/McHenry    | Business Park       | 370 acres   |                | 370 acres                         |
|                    | Regional Commercial | 100 acres   |                | 100 acres                         |
| Paradise/Carpenter | Village Residential | 808 acres   | (108)          | 700 acres                         |
| Pelandale/McHenry  | Residential         | 50 acres    | (49 acres)     | 1 acre                            |
|                    | Regional Commercial | 30 acres    | (18 acres)     | 12 acres                          |
| Roselle/Claribel   | Village Residential | 1,426 acres | (212)          | 1,214 acres                       |
|                    | Business Park       | 272 acres   |                | 272 acres                         |
| Whitmore/Carpenter | Village Residential | 695 acres   | (72)           | 623 acres                         |

(1) The total acreage for the Johansen CPD excludes 109 acres comprised of the Johansen High School/Community Park facility previously annexed to the city.

During the Review process, the various Comprehensive Planning Districts identified in **Table 5** were identified and discussed. In some cases, specific development proposals have been received by the Community Development and Housing Committee. In other cases, comments relating to the general concern of area residents, or wishes with regard to annexation, have also been received and considered.

The following briefly discusses the relevant characteristics of the Comprehensive Planning Districts listed in **Table 5**.

*College West CPD:*

- No landowner interest in urban development during the next five years was presented during the Review process.
- The CPD is now served by a sewer trunk line, and an advisory vote is not required for non-residentially zoned property.
- 156 acres of land designated as Business Park.

## POLICY REVIEW

### *Empire North CPD:*

- A portion of the Empire North CPD north of Dry Creek has been annexed to the City. A small parcel of land north of Dry Creek, and a larger parcel south of Dry Creek, have not been annexed.
- The portion of the Empire North CPD south of Dry Creek would be served by a sewer trunk line in the Johansen CPD, but the Burlington Northern Railroad right-of-way presents an obstacle to extension of sewer service that requires consideration.
- Extension of the trunk sewer to the Johansen CPD is a prerequisite for extension of sewer service to the southern portion of the Empire North CPD.
- Landowner interest in urban development and annexation of the remaining portion of this CPD has been received during the Review process.

### *Fairview CPD:*

- A easterly 231-acre half of the Fairview CPD has been annexed to the City.
- No landowner interest in urban development in the portion now outside the City limits was presented during the Review process.
- City staff has estimated that the cost of extending major sanitary sewer lines to the Fairview CPD would be approximately \$945,313.

### *Hetch Hetchy CPD:*

- Located east of the Kiernan/McHenry CPD, through which the trunk sewer line to serve the Hetch Hetchy CPD would be routed.
- Commercial activity along the McHenry corridor is well established, and a proposal was presented during the Review process for development of the western portion of the CPD, extending from McHenry Avenue to Coffee Road on the east. Consent forms were submitted from some affected property owners indicating they would have no objection to annexation.
- The sewer trunk line that will serve the CPD will be routed through the eastern portion of the Kiernan/Carver CPD and the Kiernan/McHenry CPD. City staff has estimated that the cost of extending major sanitary sewer lines to the Hetch Hetchy CPD alone would be approximately \$2,066,406. If the CPD were to be developed prior to the Kiernan/Carver CPD or Kiernan/McHenry CPD, sanitary sewer and some other infrastructure costs for those CPDs would have to be financed initially by those developing in the Hetch Hetchy CPD. This is a substantial factor in consideration given to the Hetch Hetchy CPD.

### *Highway 132 CPD:*

- Includes 660 acres designated for Business Park development.
- Served by an existing trunk sewer line.

## POLICY REVIEW

- No landowner interest in urban development was presented during the Review process, and no deficit has been identified by this Review for land designated for Business Park uses.
- The majority of this CPD (363 acres) consists of land subject to Williamson Act contracts.

### *Johansen CPD:*

- Landowners and representatives from the CPD made presentations during the review process, seeking annexation. Commentors have indicated that this area is, in effect, surrounded by urban development, pointing to the City development on the west, City and Village One development on the north, and the community of Empire to the east.
- Recent construction of schools and parks in the area have generated significant traffic on Frazine Road and other roadways, resulting in other adverse impacts on the ability of landowners to continue agricultural practices.
- This portion of the community may be a good target area for a variety of housing types, due to its close proximity to a major industrial area
- City staff has estimated that the cost of extending major sanitary sewer lines to the Johansen CPD would be approximately \$1,113,281.

### *Kiernan/Carver CPD:*

- A portion of this CPD has been annexed to the City, and is included in the Total Current Inventory in **Table 1**. The portion that has not been annexed includes 571 acres of Village Residential and 422 acres of Business Park.
- This available land area is located west of land designated for Business Park uses, and east of the Kiernan/McHenry CPD portion also designated for Business Park uses.
- A two-lane portion of Pelandale Road has been extended between Dale Road and McHenry Avenue.
- City staff has estimated that the cost of extending major sanitary sewer lines to the Kiernan/Carver CPD would be approximately \$2,353,906.
- The Committee has received presentations on behalf of Margaret Waterman concerning her property, which lies at the eastern edge of the Kiernan/Carver CPD, and within the area not previously the subject of a Measure A/M vote. The owner has stated that inclusion of her property in a Measure A/M vote would be good planning. She has pointed specifically to the impact of the Pelandale extension on the farming practices of her family and her neighbors, and to the fact that urban infrastructure is readily available.

### *Kiernan/McHenry CPD:*

- This CPD contains 370 acres of Business Park area, and 100 acres of Regional Commercial. No deficit has been identified in either land use designation.
- If the Hetch Hetchy CPD is to be served with a sewer trunk line, it will first cross this CPD. No financing plan for such extension is in place.

## POLICY REVIEW

- ☛ Making this CPD available for development by extending the sewer trunk line could be a component of the City's long-range economic development strategy.
- ☛ City staff has estimated that the cost of extending major sanitary sewer lines to the Kiernan/McHenry CPD would be approximately \$1,230,469.
- ☛ No landowner interest in annexation was expressed during the Review process, and this CPD received a negative advisory vote. It may be a good candidate for a City-initiated survey regarding landowner interest.

### *Paradise/Carpenter CPD:*

- ☛ The existing West Trunk Sewer is located approximately in the center of this CPD, running in a north-south direction.
- ☛ The CPD contains 808 acres of land area with a Village Residential land use designation, with 108 acres of that area subject to Williamson Act contracts.
- ☛ No landowner interest in annexation or urban development was received during the Review process.

### *Pelandale/McHenry CPD:*

- ☛ This CPD contains 50 acres of land designated as Residential, and 30 acres as Regional Commercial. Most of the land area remains subject to Williamson Act contracts.
- ☛ Landowner interest in annexation was expressed during the Review process, and a majority of landowners support annexation.
- ☛ A financing plan for sewer improvements is in process.
- ☛ This CPD received a positive advisory vote.

### *Roselle/Claribel CPD:*

- ☛ A 480-acre portion of this CPD, located in the southwest corner, was previously the subject of a negative Measure A/M vote.
- ☛ An application has been submitted to the City for review and consideration of a Specific Plan in this portion of the CPD.
- ☛ Sewer service would be via an extension of the sewer trunk line from Village One to the south.
- ☛ City staff has estimated that the cost of extending major sanitary sewer lines to the entire Roselle/Claribel CPD would be approximately \$3,457,813. The cost of extending a sanitary sewer trunk line to only the 480-acre portion of the CPD would be approximately \$820,000.

### *Whitmore/Carpenter CPD:*

- ☛ Extension of sewer service to this CPD will require installation of a sewer lift station to pump wastewater to the existing trunk at Hatch Road and Ustick Road, completion of storm drainage facilities, and installation of a well.
- ☛ City staff has estimated that the cost of extending major sanitary sewer lines to the Whitmore/Carpenter CPD would be approximately \$894,531.

- No landowner interest in annexation or urban development was expressed during the Review process, and financing of such infrastructure in the next five years appears doubtful.

### V. RECOMMENDATIONS FOR ADDITIONAL INVENTORY

The discussion below sets forth recommendations regarding the identification of certain Comprehensive Planning Districts for future annexation, and the various factors that should be considered in making this decision.

#### A. Recommendations for Addition to the Inventory

The land area available for future urban development is identified, by reference to Comprehensive Planning Districts, in **Table 5**, above.

**The following recommendations are made regarding which of the various areas should be scheduled for addition to the inventory:**

The City Council may wish to consider annexation of the extension of urban infrastructure to the following Comprehensive Planning Districts:

##### 1. Roselle/Claribel Comprehensive Planning District

- A 480-acre portion of this CPD has been the subject of a negative Measure A/M vote. While placing this Comprehensive Planning District before the voters is not required by the provisions of Measure M, given that an advisory vote has been held, there were comments received during the review process that obtaining a second vote would be advisable, and could facilitate development of the CPD. The City Council has the choice to require a second vote for the area, though such a vote is not required.
- Significant landowner interest in pursuing development of the 480-acre portion is present.
- The City Council should consider extension of the sewer line to serve the 480-acre portion. While the cost of extending sanitary sewer service to the entire CPD would be approximately \$3.5 million, extending the line to serve only the 480-acre portion would be approximately \$820,000.00.
- The 480-acre portion of this CPD contains 40 acres of land subject to Williamson Act contracts. Annexation of the 480-acre portion of the Roselle/Claribel Comprehensive Planning District would result in the addition of **440 acres of Village Residential land use areas** to the Inventory, with a potential of 2,244 residential units at 5.1 units per acre.
- The size of this portion of the CPD is adequate for the purpose of developing master plans for infrastructure and public facilities and as well as finance plans for the development of infrastructure and public facilities.

**2. Johansen Comprehensive Planning District**

- Annexation of the Johansen Comprehensive Planning District would result in the addition of **486 net acres of Village Residential land use areas** to the Inventory, with a potential of 2,478 residential units at 5.1 units per acre.
- Annexation appears to have the overwhelming support of landowners.
- CPD has potential to serve as a location for housing in close proximity to employment centers.

Adding the 480-acre portion of the Roselle/Claribel Comprehensive Planning District {480-acres net}, as well as the Johansen Comprehensive Planning District, would increase the Current Inventory of Village Residential property during the five-year Inventory period by a total of **926 net acres (refer to Table 6)**. This would increase the Current Inventory sufficiently to satisfy the Inventory deficit for Alternative 3 and Alternative 2.

If the City Council determines that the Current Inventory should be increased further, the next most likely candidate for action would be that portion of the Kiernan/Carver Comprehensive Planning District that has not yet been annexed.

**3. Kiernan/Carver Comprehensive Planning District**

- Annexation of this would result in the addition of **571 net acres of Village Residential land use areas** to the Inventory, with a potential of 2,912 residential units at 5.1 units per acre, and 422 acres of Business Park land use area.
- Landowner support is present, but there may not be consensus.
- Annexation is a logical extension of the City's boundaries, and is consistent with the principle that development should be contiguous to areas already developed.
- The CPD is in close proximity to a trunk sewer line and the extension of the Pelandale Expressway.
- Annexation of this CPD, and extension of the trunk sewer line, will make it more feasible to develop the Kiernan/McHenry Comprehensive Planning District in the longer term. The Kiernan/McHenry CPD is designated for Business Park use. If the General Plan strategy of focusing economic development efforts on business parks eventually succeeds, the City will need additional acreage for this purpose.
- A portion of the CPD is already developed through the Carver/Bangs Specific Plan, but planning for the unincorporated portion of the CPD will demand landowner involvement and commitment that may not be present. Development of a master specific plan that addresses infrastructure and financing strategies in a comprehensive manner would be a very positive step in preparation for urban development.

Adding the remaining portion of the Kiernan/Carver Comprehensive Planning District to the Current Inventory would increase the Current Inventory of Village Residential property during the five-year Inventory period by a total of **1,497 net acres (refer to Table 6 below)**. This would increase the Current Inventory sufficiently to satisfy the Current Inventory deficit for each of the Alternatives identified in Table 4. Table 7, below, identifies the impact on the deficits for Village Residential acreage of including the various CPDs in the Current Inventory:

**Table 6: Village Residential Property**

| CPD              | Net Acres (Village Residential) | No. Units ( @ 5.1 units/ac.) |
|------------------|---------------------------------|------------------------------|
| Roselle/Claribel | 440                             | 2,244                        |
| Johansen         | 486                             | 2,479                        |
| <b>Sub-total</b> | <b>926</b>                      | <b>4,723</b>                 |
| Kiernan/Carver   | 571                             | 2,912                        |
| <b>Total</b>     | <b>1,497</b>                    | <b>7,635</b>                 |

**Table 7: Proposed Additions to Current Inventory**

| Alternative                              | Village Residential Acres Needed<br>(From Table 4, Column D) | Include 480-acre portion of Roselle/Claribel CPD<br><br>440 net acres | Include Johansen CPD<br><br>579 net acres | Include Remainder of Kiernan/Carver CPD<br><br>571 net acres | Resulting Deficit |
|--|--|---|---|--|-------------------|
| <b>Alternative 1</b><br>(StanCOG 3.8%)   | 1,378 acres  | 938 acre Deficit  | 359 acre Deficit                          | <b>No Deficit</b>  | <b>No Deficit</b> |
| <b>Alternative 2</b><br>(3.3% mid-point) | 996 acres  | 556 acres Deficit   | <b>No Deficit</b>                         | <b>No Deficit</b>  | <b>No Deficit</b> |
| <b>Alternative 3</b><br>(2.7% City rate) | 613 acres  | 173 acres Deficit   | <b>No Deficit</b>                         | <b>No Deficit</b>  | <b>No Deficit</b> |

During the next two years, efforts in two particular areas should be undertaken to identify future areas for urban development. The first involves examination of the amount and timing of financing required for urban infrastructure development. The second involves communication with landowners in the various Comprehensive Planning Districts concerning their interest in urban development of their properties. These issues have been identified during the Review process as having a high priority, and should be pursued. These efforts deserve continued attention, and neither can feasibly be completed during a two-month Review process.

**B. Time Required for Development**

Development of any of the areas identified in **Table 5** will require a lengthy period of time, ranging from 18 months to 3 years or longer. Annexation must be pursued, which can require a substantial amount of time, with an uncertain outcome. In addition to the application and environmental review requirements that are involved with any development project, development will require detailed infrastructure financing arrangements, discussed below. The General Plan goal of providing an adequate supply of land will be advanced by selection of areas for new development that can be brought to market within the next five years.

**C. Infrastructure Considerations**

The General Plan, and current City policy, provide for protection of the City’s fiscal base, and for the installation of infrastructure on a timely basis.

## POLICY REVIEW

Development of land in residential uses requires extension of the City's urban infrastructure, including sanitary sewers, water lines, roadways, and storm drainage facilities. The City has adopted financing strategies that have as their purpose the protection of the City's fiscal base by generally requiring payment for such extensions by the particular development in question. Development of the Village One Comprehensive Planning District, however, has resulted in the timely development of some infrastructure, while other improvements (e.g., roadways) have been delayed pending receipt of adequate improvement funds. Available funds, for example, are being used to develop storm drainage facilities (shortfall in storm drain fees), while roadway improvements await. The shortfall in infrastructure funding for Village One is currently estimated at \$6-7,000,000, and may increase in the future.

The City is currently engaged in a review of these financing strategies to avoid such situations in connection with development of other Comprehensive Planning Districts. One of the suggestions received during the Review process was to preclude development of any new Comprehensive Planning Districts until such time as the Village One development reached a certain threshold percentage of completion. This may be an alternative for consideration by the City Council, but examination of such an alternative is not within the scope of the Review. The key issue is whether the City should require financing of urban infrastructure in advance, or continue with a system based in part on financing through service connections. Achieving a balance between protection of the City's fiscal base, and the General Plan policy of promoting economic development, is a subject that should be closely reviewed.

Providing for complete sewer trunk line, roadway, and storm drainage financing in advance of development may be a worthy goal. In some cases, development of a particular Comprehensive Planning District may require extension of a sewer trunk line through an adjoining Comprehensive Planning District that has not been annexed. Unless overriding considerations were presented, the most reasonable and prudent fiscal choice would be to extend, and finance, the sewer trunk line and other urban infrastructure on an incremental basis. Such an approach also supports the General Plan goal of keeping urban development as contiguous as possible.

In considering the various Comprehensive Planning Districts that could be included in the inventory, the cost of extending the urban infrastructure has been considered, with the purpose of identifying areas where the cost might be of such magnitude as to preclude sound financing. In some cases (e.g., Hetch Hetchy) extending a sanitary sewer trunk line to the CPD will require extension across an adjacent CPD. If development of the adjacent CPD does not appear to be likely during the five-year inventory period, financing the extension of the sanitary sewer trunk line, roadways, or other urban infrastructure could be infeasible, since some infrastructure is paid for through connection fees.

With the exception of the North Empire CPD, staff has identified no major obstacles to the extension of urban infrastructure to the various Comprehensive Planning Districts. In the case of the North Empire CPD south of Dry Creek, the Burlington Northern Santa Fe Railroad right-of-way poses an obstacle that deserves longer-term study. No topographic features have been identified that would pose a serious obstacle to extension in other areas.

### **D. Voter Oversight**

New urban development in the City of Modesto occurs with the oversight of the Modesto voters. Measure A and Measure M require advisory votes concerning extension of urban infrastructure. Residents also have a voice in proposed annexations. There was consensus during the public participation process that all interests are best served by presenting the voters a rational basis

for the proposed extensions of sewer trunk lines and other urban infrastructure. The General Plan goals discussed above provide the basic framework for this process.

### **E. Landowner Consensus**

The General Plan encourages unified direction from affected property owners in connection with proposed development in a Comprehensive Planning District. Consensus among property owners in support of urban development and annexation increases the likelihood that adequate financing for urban infrastructure can be finalized, and promotes a positive approach in advisory votes pursuant to Measure A or Measure M.

## **VI. OTHER RECOMMENDATIONS AND COMMENTS**

### **A. Policy Regarding Measure A and M Votes**

The most recent City Council policy, adopted in 1998 to implement Measure M, provides that only an entire Comprehensive Planning District should be the subject of Measure A or M votes. The recommendation to include a 480-acre portion of the Roselle/Claribel Comprehensive Planning District is a unique circumstance, as this area was previously subject to an advisory vote. No change is recommended in the City Council's current policy.

### **B. Housing Mix**

In developing housing demand projections, the mix of housing units as including either single-family or multi-family units was not specifically considered, because the General Plan calls for an overall density of 5.1 units per acre in the Village Residential land use areas. The density factor of 5.1 units per acre does allow for a mix of housing types. In providing adequate and affordable housing for the community, however, the mix of housing units is critical. The State Department of Housing and Community Development has recognized the need for an adequate supply of apartments as a key component for a community's housing policy.

The areas to be considered for inclusion in the Inventory are primarily within the various Comprehensive Planning Districts identified in the Urban Area General Plan. The need for additional Inventory is based, in part, on the assumption that 1,000 residential units will be constructed in the developed areas of the City during the next five years. In identifying areas outside the City limits for new urban development, the only land use designation available for new housing is the Village Residential designation. The General Plan establishes an overall density of 5.1 units per acre for these areas, which includes both single-family and multi-family units.

Recent housing starts in the community have overwhelmingly involved single-family units. Current efforts to identify ways to increase the production of multi-family units should be continued.

Some comments received during the Review process related to neighborhood opposition to proposals for multi-family projects. Such projects certainly have a land use impact that differs from traditional single-family developments. Such impacts can be managed through sound planning practices. Even assuming such practices are in place, however, opposition may be present.

## POLICY REVIEW

One method of minimizing such opposition is to clearly identify areas for multi-family development in the early planning stages for newly urbanizing areas. The General Plan provides for the adoption of specific plans for these areas, and this provides a suitable planning tool. The area devoted to any given specific plan, however, must be large enough to include a suitable allocation for multi-family housing. Approval of specific plans for relatively small areas carries with it the risk that land for multi-family development is identified after other development has proceeded, thus increasing the risk of local and neighborhood opposition to the higher densities allowed in multi-family developments.

It appears that additional steps will be required to promote multi-family housing in the newly urbanizing areas. The City Council should direct staff to identify specific means of accomplishing the goal of providing a sufficient supply of multi-family housing. These efforts could include requiring that the areas devoted to specific plans be sufficient to provide for adequate multi-family housing locations; requiring that a specific percentage of Village Residential land area be committed to multi-family housing, with specific density targets; and modifying the capital improvement fee system to provide advantages for those developing multi-family housing.

As new Comprehensive Planning Districts are identified for inclusion in the Inventory, consideration of the need for multi-family housing should be an integral part of the process.

### **C. Prime Farmland And Impact On The Review**

During the Review process, comments have been submitted that indicated the Review should focus on the impact of the various development scenarios on Prime Farmland, Farmland of Statewide Importance, and the loss of agricultural land in general.<sup>2</sup> There are a number of studies that have documented that the State of California generally, and the Central Valley in particular, are experiencing a continuing loss of land from agricultural production. The impact of conversion of agricultural land to urban uses has been evaluated in environmental documentation prepared for the General Plan, including the cumulative impact of such conversion.

Most of the Kiernan/Carver, Hetch Hetchy, Johansen, and Highway 132 CPDs are identified as prime farmland. The Roselle/Claribel CPD contains a substantial portion of farmland that is designated either Unique Farmland or Farmland of Local Importance. The Whitmore/Carpenter and Paradise/Carpenter CPDs contain substantial portions of land that are designated Other Land and Urban and Built-Up Land.

CPDs remaining for development are located at the edge of the City's Sphere of Influence. While protection of valuable agricultural lands is an important issue, that issue will come into clearer focus in the longer term, if, in the future, the City undertakes an effort to expand its Sphere of Influence. No such action is contemplated in the five-year horizon utilized in the Review.

### **D. Unincorporated Islands**

The City Council has expressed continuing interest in evaluating the future of the unincorporated "islands" that exist within the City limits. Should the City Council wish to include

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<sup>2</sup> Prime Farmland and Farmland of Statewide Importance are categories of land surveyed by the State Department of Conservation, and include the most fertile farmland.

all such areas in a comprehensive Measure A/M advisory vote, the following recommendations would apply in accordance with current policy.

### 1. **Substantial Infill Areas:**

The Modesto Citizens' Advisory Growth Management Act of 1995 requires significant preparation in advance of scheduling Measure M votes for the most substantial infill Areas (i.e. unincorporated islands). Prior to scheduling the most substantial infill areas for a measure M vote, City and County officials should meet to discuss tax sharing agreements and other fiscal matters. Staff recommends that the City Council direct staff to accomplish this task for the next Urban Growth Review Update.

### 2. **Infill Areas Deemed Not "Substantial":**

Pursuant to Policy 5(c) of the Modesto Citizens' Advisory Growth Management Act of 1995 "the City Council, at its sole discretion, may determine that certain infill areas are not "substantial" and therefore, would not need to be dependent on negotiations with the County". Staff recommends that for the purpose of this policy, unincorporated island areas 75 acres or less be considered not substantial, not dependent on negotiations with the County. Based on this policy, the City Council may wish to place infill areas, 75 acres or less, on the ballot for a Measure M vote. This approach affects four (4) individual island areas totaling 131 acres. A map identifying the island areas will be provided with the report.

The Community Development and Housing Committee has recommended revisions to the existing City Council Policy regarding implementation of Measure M to facilitate consideration of the unincorporated islands. The CD&H committee recommendation is provided in the staff memorandum to the City Council.

Appendix 4 sets forth information concerning the unincorporated islands, showing total acreage, population, land use, assessed valuation, number of parcels, and whether the area has been the subject of a Measure A/M vote.

### **E. Tentative and Final Maps: Effect on Inventory**

**Table 1**, above, indicates that there are 997 acres of Village Residential land use area in the Current Inventory. As shown in Appendix 1, Table 2, the acreage in the various Comprehensive Planning Districts subject to tentative or final maps was excluded from the Current Inventory.

During review of the Draft report by the Community Development and Housing Committee, it was suggested that consideration be given to inclusion of such areas in the Current Inventory. As set forth in Appendix 2, the approximate acreage subject to tentative maps is 359 acres, and undeveloped acreage within areas subject to final maps is approximately 228 acres.

Table 1, above, indicates there are approximately 997 acres of Village Residential land use in the Current Inventory. If tentative maps are added to the Current Inventory, the available land area is 1,356 acres. If tentative maps and the undeveloped lots in areas subject to final maps are each added, the Current Inventory increases to approximately 1,584 acres.

## POLICY REVIEW

**Table 4**, above, sets forth an estimate of the deficit based on an inventory of 997 acres of Village Residential land use area. If the tentative maps only are added to the inventory, resulting in a Current Inventory of 1,356 acres, the following would result:

**Table 8: Village Residential 5-Year Current Inventory Deficit: With Tentative Maps**

| Development and Market Demand Alternative     | Column A<br>Village Residential Units Needed<br>(1,000 units to other areas) | Column B<br>Village Residential Acres Needed<br>Density: 5.1 units per acre | Column C<br>Village Residential Current Inventory<br>From Table 1 | Column D<br>Village Residential Deficit<br>Column B minus Column C |
|---|--|---|---|--|
| <b>Alternative 1</b><br>(3.8% StanCOG rate)   | 12,114 units   | 2,375 acres   | 1,356 acres   | <b>1,019 acres</b>   |
| <b>Alternative 2</b><br>(3.3% mid-point rate) | 10,163 units   | 1,993 acres   | 1,356 acres   | <b>637 acres</b>   |
| <b>Alternative 3</b><br>(2.7% DOF rate)       | 8,212 units  | 1,610 acres   | 1,356 acres   | <b>254 acres</b>   |

Including tentative map acreage in the Current Inventory would also affect the analysis reflected in Table 8, above. Table 9, below, shows the effect of including the tentative map acreage:

**Table 9: Proposed Additions to Current Inventory: With Tentative Maps**

| Alternative                              | Village Residential Acres Needed<br>(From Table 7, Column D) | Include 480-acre portion of Roselle/Claribel CPD<br>440 net acres | Include Johansen CPD<br>579 net acres | Include Remainder of Kiernan/Carver CPD<br>571 net acres | Resulting Deficit |
|--|--|---|---------------------------------------|--|-------------------|
| <b>Alternative 1</b><br>(StanCOG 3.8%)   | 1,019 acres  | 589 acre Deficit  | <b>No Deficit</b>                     | <b>No Deficit</b>  | <b>No Deficit</b> |
| <b>Alternative 2</b><br>(3.3% mid-point) | 637 acres  | 197 acres Deficit   | <b>No Deficit</b>                     | <b>No Deficit</b>  | <b>No Deficit</b> |
| <b>Alternative 3</b><br>(2.7% City rate) | 254 acres  | <b>No Deficit</b>   | <b>No Deficit</b>                     | <b>No Deficit</b>  | <b>No Deficit</b> |

### **F. Long-Range Observations**

The General Plan guides physical development of the Modesto community for a 30-year period, through the year 2025. The establishment of Comprehensive Planning Districts as a planning vehicle should continue to be a viable method for accomplishing the General Plan goals during this period.

The Total Current Inventory established in the Urban Growth Policy Reviews conducted in the future will, of course, change as land is developed, and as new land is annexed to the City. The methodology used in compiling the Total Current Inventory this year is explained in Appendix 2, and should serve as the basis for future efforts. The process has received close scrutiny by those persons, organizations, and industries interested in the process, and reflects their input.

As explained in Appendix 3, a variety of sources were used in preparing the estimates of future market absorption. In most cases, population projections from the state agencies assume straight-line growth at a constant rate. The housing market has historically been cyclical, and the growth rate of the community has varied, depending on whether one adopts a ten-, twenty-, or thirty-year perspective. For purposes of estimating long-range growth, however, the annual absorption rates for residential development set forth in **Table 3** (361 acres to 514 acres per year) provide a reasonable guide. New areas for residential development will be needed in the next ten- and twenty-year periods.

If the 480-acre portion of the Roselle/Claribel Comprehensive Planning District were annexed, the remaining portion of that CPD, along with the eastern portion of the Hetch Hetchy CPD, would be logical areas for the next phase of residential development.

The Comprehensive Planning Districts to the west and southwest should also be considered for the next phase of residential and business park development. The first step in this process could include an examination of the Fairview Comprehensive Planning District, with the goal of understanding the development dynamics of the area now within the City limits, and assessment of the housing market for that portion of the community. This process could include discussions with the affected landowners, as well as input from the development community regarding actions the City might take to facilitate residential development in that area. There would be abundant time for a landowner survey of the various Comprehensive Planning Districts to assist in developing a timeline and financing strategy.

In the case of regional commercial development, it seems likely that, given the existing development in the McHenry corridor, and current landowner interest in annexation, that the Hetch Hetchy Comprehensive Planning District will become an increasingly viable area for such development. As noted in the discussion above, planning for the sewer trunk line to serve this area will require planning for the Kiernan/McHenry Comprehensive Planning District, through which the trunk line will be routed. Continued efforts to plan for new business park activity, for which the Kiernan/McHenry CPD is designated, will facilitate a smooth transition for the western portion of the Hetch Hetchy CPD.

### **G. Bi-Annual Review Of The Urban Growth Policy And Inventory**

The Urban Growth Policy Review can serve as a sound planning tool for the community, but only if it reflects existing reality. This includes a reasonable estimate of land currently available for development, as well as an ongoing assessment of infrastructure financing strategies, state of the economy, and current market demand.

Given these objectives, there was a clear consensus in the comments received during the review process that supported a bi-annual review of the Growth Policy.

### VII. MAPS

The following attached maps were prepared as part of the Review process.

- Map 1: Planning Areas: Maps and Measure A/M
- Map 2: Williamson Act Contracts and Protests
- Map 3: Vacant Lands in Baseline Developed and Redevelopment Areas
- Map 4: Sewer Trunk Lines
- Map 5: Developer Proposals
- Map 6: Unincorporated Islands

INSERT Map 1:

Planning Areas: Maps and Measure A/M

INSERT Map 2: Williamson Act Contracts and Protests

INSERT Map 3: Vacant Lands in Baseline Developed and Redevelopment Areas

INSERT Map 4:

Sewer Trunk Lines

INSERT Map 5: Developer Proposals

INSERT Map 6: Unincorporated Islands

**METHODOLOGY USED IN COMPILING TOTAL CURRENT INVENTORY**

The Urban Area General Plan established three areas of the urban community:

*The Baseline Developed Area* comprises the land area in the established City limits, less unincorporated “islands.”

*The Redevelopment Area* is established within the City’s core, and is subject to the jurisdiction of the Modesto Redevelopment Agency.

*The Planned Urbanizing Area*, for purposes of this Report, is the land area identified in the 1995 Urban Area General Plan as the area for the City’s future urban development. The Planned Urbanizing Area is divided into “Comprehensive Planning Districts.” The Planned Urbanizing Area is located within the City’s “sphere of influence” as approved by the Stanislaus County Local Agency Formation Commission (LAFCo).

Urban development in the City during the next five years will occur, to some extent, in the portion of the Modesto community that is already built-out. This “in-fill” development is encouraged by the City, but it is recognized that such development presents challenges not present in development in newly urbanizing areas.

Preliminary estimates of the land available for urban development in the Baseline Developed Area were made by reviewing the records of the Stanislaus County Assessor. Parcels with a zero structural improvement value were identified as vacant, and were considered as available for development. Parcels of less than 2.0 acres in size were not included in the inventory because they would require special efforts in connection with development. Also excluded were any parcels owned by a governmental agency. Following preparation of preliminary estimates, substantial input was received regarding particular parcels included in the inventory. In some cases these concerns were valid, and the inventory of land available within the Baseline Developed and Redeveloped Areas has been revised accordingly.

An inventory of land available for development in the Baseline Developed and Redevelopment Areas, as revised based on the input during the Review process, is set forth below, in **Table 1**:

**Table 1: Baseline Developed Area and Redevelopment Area Current Inventory**

| Land Use                        | # of Acres |
|---------------------------------|------------|
| Residential                     | 200 acres  |
| Mixed Use                       | 51 acres   |
| Redevelopment Planning District | 50 acres   |
| Commercial                      | 7 acres    |
| Industrial                      | 125 acres  |

An inventory of land available for development in the Planned Urbanizing Area has also been developed. As with the inventory of land in the urban core, this inventory estimate has been revised during the Review process in response to comments from the various community stakeholders, as well as members of the City Council's Community Development and Housing Committee.

The General Plan calls for an inventory of land that is served with urban infrastructure. The Inventory includes only those portions of the Planned Urbanizing Area that have been annexed to the City.

The inventory for the Planned Urbanizing Area in **Table 2**, and the total current inventory set forth in **Table 3**, do not include areas that are subject to a tentative map or final recorded map under the State Subdivision Map Act. A survey of Final Maps was conducted by staff, and is attached as Appendix 1.

The Current Inventory does not include parcels subject to a Williamson Act contract, which restricts development over a ten-year period. The inventory *does* include parcels, however, as to which the City has filed a protest of the Williamson Act contract, the protest was upheld by LAFCo by resolution, and the contract would be terminated at the time of annexation to the City.

Following initial distribution of the inventory, comments were received regarding parcels in the affected areas that are currently committed to urban use, and would not be available for development. When appropriate, the inventory has been revised to exclude these areas from land available for urban development.

During the Review process, some commentors suggested that land committed to schools and parks be excluded from the inventory. The General Plan establishes an overall density of 5.1 units per acre in the Village Residential land use designation, and takes into consideration the fact that some of the land area will be used for schools and parks.

The inventory for the Planned Urbanizing Area takes one additional factor into account. Because it is likely that some landowners will either not wish to develop, or will not be provided with sufficient economic justification to convert their land to urban uses, the inventory has been reduced by ten percent. This is viewed as a reasonable adjustment. The Inventory for the Planned Urbanizing Area is set forth in **Table 2**, and the Total Current Inventory is set forth in Table 3, both of which are illustrated on the following pages.

**Table 2: Current Inventory of Planned Urbanizing Area Within City Limits**

| CPD                  | Land Use Designation                     | Total Acreage | (Maps)      | (Schools)  | Net Acres | Adjust by (10%) | Net Total Acres |
|----------------------|--|---------------|-------------|------------|-----------|-----------------|-----------------|
| Coffee/<br>Claratina | Residential                              | 130 acres     | (17 acres)  | (56 acres) | 57 acres  | (6 acres)       | 51 acres        |
|                      | Regional Commercial                      | 40 acres      |             |            | 40 acres  | (4 acres)       | 36 acres        |
| Empire North         | Village Residential                      | 45 acres      | (45 acres)  |            | 0         | 0               | 0               |
| Fairview             | Village Residential                      | 350 acres     | (82 acres)  | (25 acres) | 243 acres | (24 acres)      | 219 acres       |
| Kiernan/<br>Carver   | Village Residential<br>(Carver Bangs SP) | 168 acres     | (168 acres) | ()         | 0         | 0               | 0               |
|                      | Business Park                            | 158 acres     |             |            | 158 acres | (15 acres)      | 143 acres       |
|                      | Regional Commercial                      | 75 acres      |             |            | 75 acres  | (8 acres)       | 67 acres        |
| North Beyer          | Residential                              | 130 acres     | (93 acres)  | (25 acres) | 12 acres  | (1 acre)        | 11 acres        |
|                      | Mixed Use                                | 30 acres      | (17 acres)  |            | 13 acres  | (1 acre)        | 12 acres        |
| Pelandale/<br>Snyder | Village Residential                      | 330 acres     | (247 acres) | (16 acres) | 67 acres  | (6 acres)       | 61 acres        |
|                      | Mixed Use                                | 60 acres      |             |            | 60 acres  | (6 acres)       | 54 acres        |
| Village One          | Village Residential                      | 1,620 acres   | (704 acres) | (acres)    | 796 acres | (79 acres)      | 717 acres       |
|                      | Business Park                            | 220 acres     |             |            | 220 acres | (22 acres)      | 198 acres       |

## APPENDIX 1

The total inventory of land currently available for urban development in the City of Modesto is the total of the current inventories in the Baseline Development Area and Redevelopment Area (**Table 1**), and Planned Urbanizing Area (**Table 2**). The Total Current Inventory is set forth in **Table 3**, below, which identifies the total land areas by reference to the land use designations forth in the City's Urban Area General Plan:

**Table 3: Total Current Inventory**

| Land Use                        | Baseline and Redevelopment (Table 1) | Planned Urbanizing Area (Table 2) | Total Current Inventory |
|---------------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Residential                     | 200 acres                            | 62 acres                          | 262 acres               |
| Village Residential             |                                      | 997 acres                         | 997 acres               |
| Mixed Use                       | 51 acres                             | 66 acres                          | 117 acres               |
| Redevelopment Planning District | 50 acres                             | 0                                 | 50 acres                |
| Commercial                      | 7 acres                              | 0                                 | 7 acres                 |
| Regional Commercial             | 0                                    | 103 acres                         | 103 acres               |
| Business Park                   | 143                                  | 198 acres                         | 341 acres               |
| Industrial                      | 125 acres                            | 0                                 | 125 acres               |

If acreage subject to tentative maps and/or undeveloped lots subject to final maps, is included in the Current Inventory, the acreage figures for Residential and Village Residential land uses would increase. The staff permit survey set forth in Appendix 1 estimated that 359 acres are located in areas with tentative maps, and undeveloped lots in areas with final maps comprise approximately 228 acres.

**APPROXIMATE ACREAGE OF UNDEVELOPED LOTS SUBJECT TO TENTATIVE AND FINAL MAPS**

Inquiry was made during the Review process regarding the status of tentative and final maps approved under the Subdivision Map Act. In response to the inquiry, staff conducted a review of such maps, with the goal of identifying the number of legal lots approved in tentative maps, and the acreage involved, as well as the number of lots subject to final maps that had yet to be developed.

In estimating the total acreage of lots subject to final maps, staff applied an assumption that each lot comprised 6,500 square feet. This is an estimate.

**TENTATIVE MAPS**

| <u>Subdivision Name</u>    | <u>Approved Lots</u> | <u>Acres</u> |
|----------------------------|----------------------|--------------|
| Panteleo/Martin            | 131                  | 26.4         |
| Galas Bros                 | 385                  | 81.7         |
| Generations                | 91                   | 19           |
| Aberdeen Place             | 6                    | 1.1          |
| Jay Hawke Estates          | 6                    | 1.1          |
| Crawford Estates           | 6                    | 1.7          |
| Corn/Harris Subdivision    | 56                   | 8.4          |
| Arbor Glen                 | 86                   | 17.4         |
| Olympic Village Unit No 4  | 12                   | 2.9          |
| Sequoia Estates            | 43                   | 16           |
| Fernwood                   | 116                  | 22.7         |
| Sundance Lake              | 120                  | 36.5         |
| Davante Villas No. 2, 3    | 63                   | 20.7         |
| Legends Village Units 4, 5 | 71                   | 17.4         |
| Olympic Park Units 3, 4    | 29                   | 10.7         |
| Fairmont Pointe            | 104                  | 22.7         |
| Papatone Property          | 233                  | 37           |
| Village Highlands No. 6    | 50                   | 15.8         |
| <b>Total</b>               | <b>1608</b>          | <b>359.2</b> |

## APPENDIX 2

### FINAL MAPS

| <u>Subdivision Name</u>                           | <u>Approved Lots</u> | <u>Acres</u> | <u>Permits Issued</u> |
|---|----------------------|--------------|-----------------------|
| The Dominion (Van Konynenburg)                    | 122                  | 24.01        | 49                    |
| Sutter Ridge                                      | 88                   | 17.56        | 48                    |
| Bella Tuscany 1&2                                 | 69                   | 22.6         | 69                    |
| Tuscany 1&2 (Autumn Faire)                        | 77                   | 19.5         | 76                    |
| Eastport 1&2 (Snyder Ranch)                       | 119                  | 10.7         | 53                    |
| Madison Pointe                                    | 54                   | 11.28        | 25                    |
| Johnson(Rose Hollow 1,2,3)                        |                      |              |                       |
| Couture/Waterman "" "" ""                         | 240                  | 55           | 240                   |
| Kensington Park (Walker/Waterman & Walker)        | 105                  | 22.08        | 105                   |
| Kensington Park 2 ""                              | 101                  | 53.1         | 22                    |
| Chateau Maison                                    | 59                   | 11.75        | 19                    |
| Monterey Bay                                      | 134                  | 31.5         | 12                    |
| Villa Francais Units 1, 2                         | 120                  | 41.3         | 12                    |
| Almond Valley                                     | 90                   | 19.45        | 90                    |
| Legacy 1&2 (Corn -Harris)                         | 104                  | 28.37        | 41                    |
| Chateau Provence                                  | 155                  | 39.43        | 62                    |
| Arbor Lane 1&2 (Arbor Glen)                       | 227                  | 33.17        | 75                    |
| Carolinas   | 35                   | 6.91         | 20                    |
| Roselane No. 1,2,3, (North Beyer Park)            | 247                  | 55.5         | 235                   |
| Roselane No. 4                                    | 64                   | 15.33        | 64                    |
| Roselane No. 5                                    | 78                   | 18.61        | 74                    |
| Roselane No. 6                                    | 41                   | 9.72         | 28                    |
| Sereno 1,2,3, (The Bluffs) Sereno No. 1,2,3)      | 121                  | 39           | 91                    |
| Sereno No.4 (Sereno No.3)                         | 14                   | 2.7          | 11                    |
| Nottingham Place                                  | 122                  | 22.6         | 67                    |
| Nottingham Place 4, & 5 (Bradley Estates portion) | 90                   | 2.9          | 2                     |
| Olympic Village East 1&2                          | 68                   | 76           | 66                    |
| Olympic Park                                      | 6                    | 11.8         | 67                    |
| Village Highlands 1,2,3,                          | 201                  | 38           | 198                   |
| Charleston Place (Center Court)                   | 96                   | 15.3         | 81                    |
| Legends Village Unit 4 (portion)                  | 46                   | 13.2         | 34                    |
| Symphony Park                                     | 105                  | 18.52        | 102                   |
| Silverado at the Village                          | 135                  | 15.42        | 132                   |
| Millbrook Estates (portion)                       | 199                  | 36.7         | 123                   |
| Center Court                                      | 72                   | 19.6         | 60                    |
| Adriana (Nottingate)                              | 101                  | 18           | 89                    |

**APPENDIX 2**

**FINAL MAPS (continued)**

| <u>Subdivision Name</u>         | <u>Approved Lots</u> | <u>Acres</u>   | <u>Permits Issued</u> |
|---------------------------------|----------------------|----------------|-----------------------|
| Opera House                     | 102                  | 19.66          | 94                    |
| Legends Village                 | 133                  | 34.8           | 127                   |
| Bradley Estates                 | 37                   | 19.66          | 37                    |
| Wildflower                      | 101                  | 11.8           | 0                     |
| Siena Phase 1 (Sequoia Estates) | 61                   | 17.9           | 0                     |
| Sierra View                     | 100                  | 18             | 94                    |
| Atherton Place                  | 136                  | 11.56          | 58                    |
| Village Highlands 4             | 58                   | 4.23           | 9                     |
| Village Highlands 5             | 23                   | 15.8           | 0                     |
| Davante Villas                  | 74                   | 18.97          | 38                    |
| <b>Total</b>                    | <b>4530</b>          | <b>1048.99</b> | <b>2999</b>           |

**Total Undeveloped Lots 1531**

\* 1531 X 6,500 sq. ft. (average) / 43,560 = 228± acres  
**As of April 17, 2001**

**METHODOLOGY USED IN PREPARING MARKET PROJECTIONS FOR HOUSING**

This Appendix summarizes the various factors, and the methodology, used in estimating the future demand for housing in the City of Modesto. Any projection of future events is uncertain—actual experience is always the best guide. The report includes a recommendation that the Urban Area Growth Policy be reviewed on a bi-annual basis. The review should include an examination of population and employment trends. A periodic review will better assure that the City, its residents, and the building industry, can meaningfully respond to housing needs in the City.

In arriving at estimates for future housing demand, existing and projected population and employment trends were examined. Other factors, including the relative state of the national and state economies, were also considered. These projections have been translated to estimates of demand for new housing units. Based on the allowable density of development in various areas of the community, estimates of the acreage needed on an annual basis were also computed.

*Factors affecting housing demand*

Demand for new housing is generated in various ways. Some of the demand occurs when the population increases. An increase in population can occur from internal growth (i.e., the birth rate is higher than the death rate). Growth also occurs when others move to the community, including those who arrive for new employment. In this regard, the rate of growth is affected by the number of persons entering California, or moving from another location within California to Modesto.

During the Review process, commentors noted that the growth policies in other communities, by restricting housing opportunities, would have the effect of increasing the housing demand in Modesto. This appears to be an accurate observation. The State Department of Housing and Community Development compares housing demand to water in a channel: it follows the course of least resistance, and the lowest housing prices. The Department noted in its report on California Housing Production Needs, 1997-2020, for example, that job growth in Santa Clara County had led to an increase in housing construction in Tracy but not in Santa Cruz County, due in part to local attitudes toward new housing development.

There was consensus by commentors during the Review process that at least some of the housing demand in Modesto has been generated by persons seeking relatively affordable housing as housing prices have risen in the Bay Area and Silicon Valley in recent years. To some extent, therefore, the housing market in Modesto is related to the economic health of those areas, and the State in general. The Department of Housing and Community Development indicates that the incremental demand for homeownership within the San Joaquin Valley Metropolitan Region through 2020 will be strongest in Madera and Stanislaus counties, and weakest in Kings and Merced counties.

Housing can also be generated by new employment. Most economic forecasts indicate that the boom in the State's economy, and attendant growth in jobs, will slow during the next five years. The recent downturn in the technology industry, the ongoing electricity supply crisis, and indications of a possible recession at the national level, have influenced these forecasts. The employment and population projections for the State, and the various urban areas, are affected by these perceptions.

There is general agreement, however, that the state's economy will remain healthy. The City of Modesto is well positioned to improve its economic condition in the coming decade, a fact noted by several commentators during the Review process. There is consensus that Modesto, and the Central Valley in general, will see a substantial increase in total population during the next ten to twenty years, regardless of the exact state of the economy.

### *Population trends and forecasts*

The 2000 Census indicates that Stanislaus County had a total population of 446,997 in 2000, and grew at an annual average rate of 2.06% from 1990 to 2000. The City of Modesto had a population of 188,856, with an annual growth rate of 1.46% for the same ten-year period.

These growth rates reflect steady growth. The rate of growth was affected by the recession in the early 1990's. During these years, housing starts in the City of Modesto were greatly reduced.

Population forecasts are provided by several government agencies: California Department of Finance, U.S. Census Bureau, and the U.S. Bureau of Economic Analysis. Two independent organizations produce such forecasts: the Anderson Forecast at the University of California at Los Angeles, and the Center for the Continuing Study of the California economy. The City and the State Department of Finance have each estimated population growth for the City during the next twenty years. These projections can vary widely, especially when the period of forecast is twenty years or more.

The California Department of Finance forecasts that California's population will continue to grow, reaching 45.4 million residents by 2020, a growth rate of approximately 1.4 percent. Most of the population growth will occur through new births.

The State's future population growth will not be distributed evenly throughout the State. The eight-county San Joaquin Valley Metropolitan Region (consisting of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare counties) was home to just under ten percent of the State's population in 1997. By 2020, that share is projected to increase to 11.2 percent. The Region is projected to grow by over one million residents between 1997 and 2010, adding 420,000 additional households during this period. Based on its analysis of households, the Department of Housing and Community Development has concluded that the number of households-and thus the demand for housing-will grow at a faster rate than the population.

The Stanislaus Council of Governments (StanCOG), with input from the County and the incorporated cities within the County, including the City of Modesto, has projected future population growth. During the ten-year period from 2000 to 2010, the StanCOG housing start estimates translate to an annual population growth rate of approximately 3.8%.

The State Department of Finance, Demographic Research Unit, has also projected future population for Stanislaus County.<sup>3</sup> The Department estimates that the County population will grow at an annual rate of 2.7 percent during the next twenty years.

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<sup>3</sup> California Department of Finance, County Population Projections with Race/Ethnic Detail, Estimated July 1, 1990-1996, and Projections for 1997 Through 2040.

### *Employment projections*

The State Employment Development Department has identified the services sector as the fastest growing segment of the County's employment base. Manufacturing and retail trade are also significant industries. The State Employment Development Department forecasts that 75% of the future job growth in the county will be in these three industries.

Labor market conditions in Stanislaus County, also known as the Modesto Metropolitan Statistical Area, have been steadily improving over the last five years, and Stanislaus County continues to record job growth and progressively lower unemployment rates, dropping from 15.5 percent in 1995 to 10.6 percent in 1999. Payroll employment in the county grew by 17,400 jobs or 12.3 percent between 1995 and 1999.

The 1995 Urban Area General Plan promotes a jobs/housing balance by promoting business park development. While the recent experience in Modesto has been disappointing, the economic strategy remains sound, and should eventually produce good results. It is certain, however, that a portion of the City's residents will continue to commute to jobs outside the community.

### *Impact on housing demand*

The population increases will put significant pressure on California's urban housing markets. The California Department of Housing and Community Development has estimated that California homebuilders would have to construct an average of 220,000 additional housing units each year statewide to respond to the housing needs of the additional population. Since 1987, the annual non-manufactured housing production in California has averaged only 141,000 units per year. This pressure on housing will be more severe in those areas, such as Modesto, that will become home to an increasing percentage of the State's residents.

Construction of single-family detached units responds to one component of the housing demand. Statewide, California will also need many hundreds of thousands of additional rental units. While demand for such units would require construction of approximately 75,000 new rental units per year, the average constructed in the State between 1990 and 1997 was only 27,000 per year.

Commentors during the Review process pointed to several factors that have affected the construction of new rental units in the City of Modesto in recent years. In enacting the Tax Reform Act of 1986, Congress eliminated almost all of the tax shelter benefits associated with investing or owning multi-family housing. The Department of Housing and Community Development indicates that this change in the federal tax laws caused multi-family development activity to "collapse."<sup>4</sup> Other comments focused on the adverse legal environment created in recent years due to complex and expensive litigation relating to multi-family units. An additional factor involves community opposition to the construction of multi-family developments, which are often perceived as negative influences on the ambience of neighborhoods, with resulting adverse impact on property values.

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<sup>4</sup> California Department of Housing and Community Development, California Housing Production Needs, 1997-2000, footnote 2.

Responding to demand for rental units, and affordable housing, is a challenge faced by communities state-wide. No simple solution has been identified. Meeting the need for such housing is essential not only because of concerns for human welfare, but to promote a sound economic development environment.

While household growth is typically the largest and most important source of demand for housing, other factors contribute. Replacement of demolished or unserviceable units, and the addition of units to normalize local vacancy rates, may also contribute to the demand.

### *Housing demand projections*

One method of estimating future demand for housing is to translate population growth into the number of housing units required to respond to meet the increase. The average household size in Modesto is approximately 3.0 persons. This estimate, utilized in the General Plan, is consistent with actual experience.

Projections of future population growth are by nature inexact. Past experience may be a guide, but must be viewed with caution. While Stanislaus County grew at an annual rate of 2.06% over the last ten years, the rate is higher when viewed in the longer term. For example, the county grew at a rate of 3.3% over the last twenty years, and 4.2% over the last thirty years.

As noted above, the State Department of Finance has projected a 2.7% rate of growth for the county over the next twenty years. This equates to approximately 5,200 to 5,800 new residents in the City each year. The approximate five-year total of population increases during the inventory period would be 27,635, which translates to approximately 9,212 housing units.

The Review provides several alternative scenarios for future housing demand, one of which (Alternative 3) is based on the State Department of Finance population projections. Housing demand based on the historic and predicted population growth alone, however, appear very conservative. As noted, the State Department of Housing and Community Development forecasts that demand for housing will exceed the rate of growth in the population. The goal of the General Plan, moreover, is to assure that there is an adequate supply of land available for future urban growth.

The Stanislaus Council of Governments (StanCOG), has developed housing projections for Stanislaus County and each of the county's cities through the year 2025. These projections are based, in turn, on employment and population projections. The StanCOG projections exceed recent experience in the City, especially with regard to the projections for the development of multi-family housing. Indeed, the total absolute number of housing starts projected by StanCOG would exceed the highest number of housing starts in any consecutive five-year period in the City's history. As time passes, of course, the total number of housing units in the City increases, and attention must be paid to the rate of growth in such units as well.

The StanCOG housing start projections translate to an annual population increase of approximately 3.8%. While this rate is higher than recent experience, it is not without precedent in the community. There are a number of factors, moreover, that support the StanCOG projection as realistic. These include some of the factors discussed above that relate to employment and future population trends within the State. If the long-term economic development policy of the City is successful, job creation will increase, with a resulting increase in demand for housing. Alternative 1 is based on an actual projection of the number of residential units needed to meet demand during the inventory period.

## **APPENDIX 3**

The Review has provided alternative scenarios for future housing demand. The most conservative (Alternative 3) corresponds to an annual population growth rate of 2.7%. Alternative 1 corresponds to the annual population growth rate forecast by StanCOG, and the demand for new housing units that would result. Alternative 2, calculated as a mid-point between the two, is consistent with the rate of population growth for Modesto County from 1980 to 2000.

**UNINCORPORATED “ISLAND” REPORT**

As part of the 2001 Modesto Urban Growth review update, City departments reviewed the county “island” areas to determine public service needs and the level of fiscal impact from extending city services to these areas. The map identifying the location of the county island areas is provided in Section VII of this report. A total of 26 “island” areas have been identified totaling 2,700 acres and a total population of 21,145. According to city GIS data, within the 26 areas, there are 5,251 parcels with a total assessed valuation of \$548,125,814.

Table A1 represents cost figures from extending city services to the county island areas. Service cost was completed for Recreation & Neighborhoods, Police, Fire, and Community Development. A detailed table summarizing fiscal impacts upon the Engineering Department is provided in Table A2 on the following page.

**Table A1: Fiscal Impacts by Annexation of Unincorporated Island Areas:**

| DEPARTMENT   | PROGRAM  | COST   |
|--|--|--|
| <b>Recreation &amp; Neighborhoods</b>                |  |  |
| Park Development:                                    | 42 additional acres of neighborhood park land or six 7-acre parks and 21 acres of community park   | Neighborhood Parks \$2.3 million<br>Community Park 7.8 million   |
| Recreation Services:                                 | After-school services & summer program at each of the 6 parks  | \$15,000/year per park site w/\$2,000 per year per park for start-up costs.<br>Additional staff at \$34,000 per year w/\$2000 start-up cost. |
| Code Enforcement                                     | One additional code enforcement officer  | \$55,000 per year w/start-up costs at \$20,000   |
| Building Inspection/Housing Rehabilitation           | One additional building inspector  | \$60,000 per year  |
| Federal Housing & Urban Development funding          | Community Block Grant and HOME funds would likely increase   | No specific cost factor identified   |
| Youth Scholarship Funding                            | Increased use of Youth Scholarship program funds   | \$50,000 annually  |
| Neighborhood Revitalization/Improvement              | Service to provide direct link to information on Modesto by two interns  | \$20,000 annually (short term cost – on 1 – 2 years.   |
|  | <b>Sub-Total</b>   | <b>Start-up Cost: \$26,131<br/>Annual Cost: \$429,000<br/>New Parks: 10 million</b>  |
| <b>POLICE SERVICES</b>                               |  |  |
|  | New Command Office   | \$80,000   |
|  | Vehicle total  | \$348,000  |
|  | Equipment  | \$35,200   |
|  | <b>Sub- Total</b>  | <b>\$3,489,900</b>   |
| <b>FIRE SERVICES</b>                                 |  |  |
|  | 12 additional positions; \$200,000 currently received to provide emergency response services to the Industrial Fire District will be eliminated              | \$1,050,000  |
|  | <b>Sub-Total</b>   | <b>\$1,050,000</b>   |
| <b>COMMUNITY DEVELOPMENT</b>                         |  |  |
|  | 3 additional positions at a total annual cost of \$155,000   | \$16,000 annual cost including cost for new positions.   |
|  | <b>Sub-Total</b>   | <b>\$716,000</b>   |
| <b>OPERATIONS &amp; MAINTENANCE</b>                  |  |  |
|  | \$746 per year per dwelling unit of additional cost. This is for police, fire, parks, trees, public works operational units that are general fund supported. | \$,258,056 annual cost for service   |
|  | <b>Sub Total</b>   | <b>\$5,258,056</b>   |
| <b>ENGINEERING ( Refer to Table A-2 for Details)</b> |  |  |
|  | <b>Sub Totals Follow in Chart</b>  |  |
|  | <b>TOTAL</b>   | <b>10,942,956 (1)</b>  |

(1) Total represents annual operating cost, and does not include 10 million for new park facilities & \$26,131 start-up cost for park facilities.

**Table A2: Detailed Table of Engineering Department’s Fiscal Impacts by Area and Asset:**

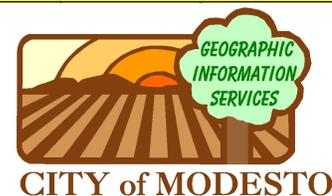
| <b>Area</b> | <b>Storm Collection</b> | <b>Sanitary Sewer</b> | <b>Manholes</b>    | <b>Water Line</b>  | <b>Curb &amp; Gutter</b> | <b>Sidewalk</b>     |
|-------------|-------------------------|-----------------------|--------------------|--------------------|--------------------------|---------------------|
| 1           | Existing                | \$ 867,000            | \$ 82,000          | Old Del Este       | Existing                 | \$ 805,000          |
| 2           | \$ 330,000              | \$ 516,000            | \$ 46,000          | \$ 508,400         | \$ 329,040               | \$ 620,000          |
| 3           | \$ 198,000              | \$ 384,600            | \$ 38,000          | \$ 147,600         | \$ 151,200               | \$ 243,000          |
| 4           | \$ 126,500              | \$ 297,000            | \$ 30,000          | Old Del Este       | \$ 14,400                | \$ 168,750          |
| 5           | \$ 269,500              | \$ 297,000            | \$ 30,000          | \$ 324,000         | \$ 124,200               | \$ 450,000          |
| 6           | \$ 209,000              | \$ 364,200            | \$ 36,000          | Old Del Este       | \$ 122,760               | \$ 266,000          |
| 7           | \$ 396,000              | \$ 456,800            | \$ 52,000          | \$ 128,000         | \$ 254,160               | \$ 408,250          |
| 8           | \$ 93,500               | \$ 363,000            | \$ 34,000          | Old Del Este       | \$ 55,800                | \$ 192,000          |
| 9           | \$ 280,500              | \$ 399,600            | \$ 38,000          | Old Del Este       | \$ 214,200               | \$ 85,100           |
| 10          | \$ 170,500              | \$ 73,200             | \$ 8,000           | Old Del Este       | \$ 133,200               | \$ 200,000          |
| 11          | \$ 2,222,000            | by County             | by County          | Old Del Este       | \$ 1,931,040             | \$ 2,577,000        |
| 12          | \$ 253,000              | \$ 426,000            | \$ 40,000          | \$ 100,000         | \$ 125,100               | \$ 183,750          |
| 13          | \$ 264,000              | \$ 319,200            | \$ 32,000          | \$ 40,000          | \$ 289,800               | \$ 380,500          |
| 14          | \$ 913,000              | \$ 1,436,400          | \$ 136,000         | Old Del Este       | \$ 720,000               | \$ 1,006,000        |
| 15          | \$ 610,500              | \$ 933,000            | \$ 84,000          | Old Del Este       | \$ 528,300               | \$ 761,250          |
| 16          | \$ 148,500              | \$409,800             | \$ 40,000          | Old Del Este       | Existing                 | Existing            |
| 17          | \$ 352,000              | \$ 639,000            | \$ 64,000          | Old Del Este       | \$ 264,600               | \$471,250           |
| 18          | \$ 77,000               | \$276,600             | \$ 26,000          | Old Del Este       | \$ 64,620                | \$66,500            |
| 19          | \$ 1,562,000            | \$2,244,000           | \$ 208,000         | Old Del Este       | \$ 1,280,700             | \$1,751,250         |
| 20          |                         |                       |                    |                    |                          |                     |
| 21          | \$ 682,000              | \$1,062,000           | \$ 94,000          | Old Del Este       | \$ 545,400               | \$ 757,500          |
| 22          | \$ 1,122,000            | \$1,624,200           | \$ 150,000         | Old Del Este       | \$ 946,260               | \$1,325,250         |
| 23          | \$77,000                | \$126,000             | \$ 16,000          | \$ 67,200          | \$ 16,560                | \$52,500            |
| 24          | Existing                | \$887,400             | \$ 78,000          | \$ 535,600         | \$ 384,120               | \$579,750           |
| 25          | \$825,000               | \$1,220,600           | \$ 108,000         | Old Del Este       | \$ 674,461               | \$ 946,750          |
|             | <b>\$11,181,500</b>     | <b>\$415,622,600</b>  | <b>\$1,470,000</b> | <b>\$1,850,800</b> | <b>\$9,169,921</b>       | <b>\$14,397,350</b> |

Table A2, Continued

| Area | Streetlights | Signs & Striping | AC Overlay   | (25% cont., 25% eng.) | w/o Road Work |
|------|--------------|------------------|--------------|-----------------------|---------------|
| 1    | \$ 245,000   | \$ 4,025         | \$ 524,741   | \$ 3,949,634          | \$ 3,123,438  |
| 2    | \$ 185,000   | \$ 3,100         | \$ 404,148   | \$ 4,596,388          | \$ 3,960,063  |
| 3    | \$ 100,000   | \$ 1,603         | \$ 208,199   | \$ 2,300,316          | \$ 1,972,500  |
| 4    | \$ 80,000    | \$ 1,250         | \$ 162,963   | \$ 1,376,348          | \$ 1,119,766  |
| 5    | \$ 135,000   | \$ 2,475         | \$ 322,667   | \$ 3,054,441          | \$ 2,546,406  |
| 6    | \$ 135,000   | \$ 1,547         | \$ 201,748   | \$ 2,087,898          | \$ 1,770,250  |
| 7    | \$ 220,000   | \$ 2,908         | \$ 379,052   | \$ 3,589,328          | \$ 2,992,516  |
| 8    | \$ 95,000    | \$ 1,263         | \$ 164,593   | \$ 1,561,181          | \$ 1,302,031  |
| 9    | \$ 130,000   | \$ 2,028         | \$ 264,326   | \$ 2,365,241          | \$ 1,949,063  |
| 10   | \$ 110,000   | \$ 1,230         | \$ 160,356   | \$ 1,338,259          | \$ 1,085,781  |
| 11   | \$ 860,000   | \$ 14,173        | \$ 1,847,674 | \$ 14,768,573         | \$ 11,859,438 |
| 12   | \$ 110,000   | \$ 1,550         | \$ 202,074   | \$ 2,252,303          | \$ 1,934,141  |
| 13   | \$ 130,000   | \$ 1,903         | \$ 248,030   | \$ 2,664,739          | \$ 2,274,219  |
| 14   | \$ 340,000   | \$ 5,578         | \$ 727,141   | \$ 8,256,436          | \$ 7,111,563  |
| 15   | \$ 255,000   | \$ 4,288         | \$ 558,963   | \$ 5,836,408          | \$ 4,956,328  |
| 16   | \$ 75,000    | \$ 1,203         | \$ 156,770   | \$ 1,298,864          | \$ 1,052,031  |
| 17   | \$ 160,000   | \$ 2,663         | \$ 347,111   | \$ 3,594,725          | \$ 3,048,203  |
| 18   | \$ 50,000    | \$ 665           | \$ 86,696    | \$ 1,012,627          | \$ 876,125    |
| 19   | \$ 615,000   | \$ 10,000        | \$ 1,303,704 | \$ 14,022,897         | \$ 11,970,234 |
| 20   |              |                  |              |                       |               |
| 21   | \$ 265,000   | \$ 4,425         | \$ 576,889   | \$ 6,230,022          | \$ 5,321,719  |
| 22   | \$ 440,000   | \$ 7,108         | \$ 926,607   | \$ 10,220,977         | \$ 8,762,047  |
| 23   | \$ 45,000    | \$ 525           | \$ 68,444    | \$ 733,170            | \$ 625,406    |
| 24   | \$ 205,000   | \$ 3,348         | \$ 436,415   | \$ 4,858,802          | \$ 4,171,672  |
| 25   | \$ 340,000   | \$ 5,450         | \$ 710,519   | \$ 7,548,094          | \$ 6,429,392  |
|      |              |                  | \$           | \$                    |               |
|      |              |                  | \$           | 109,517,670           |               |
|      | \$ 5,325,000 | \$ 84,308        | 10,989,830   |                       | \$ 92,214,330 |

Table A3: Unincorporated Islands Report

| Population<br>2000 | General Plan Designation Acreage |              |              |             |                |             |              |              |             |             | Assessed<br>Valuation | Number Of<br>Parcels | Measure<br>A/M Vote |     |
|--------------------|----------------------------------|--------------|--------------|-------------|----------------|-------------|--------------|--------------|-------------|-------------|-----------------------|----------------------|---------------------|-----|
|                    | Totals                           |              |              |             |                |             |              |              | Vacant      |             |                       |                      |                     |     |
|                    | C                                | I            | MU           | OS          | R              | RC          | RPD          | VR           | R           | I           |                       |                      |                     |     |
| 795                |                                  |              | 9.7          |             | 79.7           |             |              |              |             |             |                       | \$21,453,898         | 275                 | No  |
| 167                |                                  |              |              |             | 18.2           |             |              | 0.1          |             |             |                       | \$3,226,026          | 55                  | Yes |
| 205                | 5.1                              |              |              |             | 33.2           |             |              | 0.1          |             |             |                       | \$5,453,513          | 81                  | Yes |
| 1                  |                                  |              |              | 1.8         | 81.3           |             |              |              |             |             |                       | \$1,413,708          | 2                   | No  |
| 157                |                                  |              |              |             | 77.4           |             |              |              |             |             |                       | \$7,922,543          | 68                  | No  |
| 419                |                                  |              |              |             | 1.0            |             |              | 42.3         |             |             |                       | \$7,660,930          | 125                 | No  |
| 527                |                                  |              |              |             | 61.7           |             |              |              |             |             |                       | \$7,322,003          | 121                 | No  |
| 96                 |                                  |              | 13.6         |             | 0.1            |             |              |              |             |             |                       | \$1,529,163          | 23                  | No  |
| 2,076              |                                  |              | 3.1          | 0.0         | 150.8          |             |              |              |             | 3.0         |                       | \$21,928,266         | 381                 | No  |
| 4,761              | 43.1                             |              |              |             | 310.7          |             |              |              | 0.8         | 37.7        |                       | \$62,114,922         | 1,201               | No  |
| 6                  | 0.3                              | 112.3        |              |             |                |             |              |              |             |             | 60.9                  | \$9,763,156          | 19                  | No  |
| 1,880              | 0.6                              | 197.3        |              | 4.6         | 184.4          | 0.0         |              |              |             |             |                       | \$227,334,397        | 554                 | No  |
| 398                |                                  |              |              |             |                |             |              | 12.7         |             |             | 8.8                   | \$847,374            | 1                   | No  |
| 14                 |                                  |              |              | 2.3         | 4.9            |             |              |              |             | 161.9       |                       | \$1,127,622          | 23                  | No  |
| 204                |                                  |              | 37.4         |             | 0.3            |             |              |              |             |             |                       | \$5,032,286          | 99                  | No  |
| 1,459              |                                  |              | 22.4         | 6.4         | 67.9           |             |              |              | 0.0         |             |                       | \$14,406,272         | 333                 | No  |
| 17                 |                                  |              |              |             | 1.3            |             |              | 104.7        |             |             |                       | \$25,346,044         | 73                  | No  |
| 31                 |                                  |              | 0.0          |             | 2.3            |             |              | 69.4         |             |             |                       | \$10,352,656         | 35                  | No  |
| 133                |                                  |              | 11.3         |             | 17.8           |             |              |              |             |             |                       | \$2,528,611          | 41                  | No  |
| 682                |                                  |              |              |             | 42.6           |             |              |              | 0.2         | 2.8         |                       | \$5,608,684          | 76                  | No  |
| 1,942              |                                  |              | 20.4         |             | 136.3          |             |              | 16.9         | 0.1         |             |                       | \$35,810,592         | 566                 | No  |
| 412                | 34.9                             | 0.0          |              | 0.7         | 45.7           |             |              |              |             | 13.0        |                       | \$8,898,692          | 122                 | No  |
| 302                | 6.5                              | 4.1          |              |             | 40.6           |             |              |              |             |             |                       | \$5,907,938          | 86                  | No  |
| 1,349              |                                  | 0.4          |              |             | 85.2           |             |              |              |             |             |                       | \$16,229,255         | 329                 | No  |
| 1,065              |                                  | 87.9         |              | 6.8         | 0.3            |             |              |              |             |             | 5.3                   | \$11,428,527         | 54                  | No  |
| 2,047              | 0.6                              | 56.5         |              |             | 144.5          |             |              |              |             |             |                       | \$27,478,736         | 508                 | No  |
| <b>21,145</b>      | <b>91.1</b>                      | <b>458.5</b> | <b>117.9</b> | <b>22.6</b> | <b>1,588.2</b> | <b>12.7</b> | <b>233.5</b> | <b>163.0</b> | <b>56.5</b> | <b>75.0</b> |                       | <b>\$548,125,814</b> | <b>5,251</b>        |     |





**PREPARATION OF THE REPORT: ACKNOWLEDGEMENTS AND SOURCES**

The 2001 Modesto Area Urban Growth Policy Review was prepared by Pacific Municipal Consultants, in cooperation with staff of the City of Modesto Community Development Department. The primary persons involved in the preparation of the Report at Pacific Municipal Consultants were:

|               |                   |
|---------------|-------------------|
| Tom Buford    | Project Manager   |
| John Hope     | Associate Planner |
| Jim Bartridge | Associate Planner |
| Jeff Pemstein | Principal         |

City staff with primary oversight of the project included:

|                |                   |
|----------------|-------------------|
| Patrick Kelly  | Principal Planner |
| Barbara Denlis | Associate Planner |

The consultant and staff reported to the City Council Community Development and Housing Committee during the Report preparation, and the public input process was conducted under the guidance of the Committee. The members of the Committee are as follows:

|                          |                    |
|--------------------------|--------------------|
| Councilman Bill Conrad   | Committee Chair    |
| Councilman Bruce Frohman | Committee Co-Chair |
| Mayor Carmen Sabatino    | Committee Member   |

The Report process was initiated in March 2001.

During the public input process, written and oral comments were received from the following persons:

Michael P. Zagaris, PMZ Real Estate  
Ruth B. Donker  
Gayle Peterson  
Danny Gottlieb  
Steve Burke  
Steven Herum  
David Romano  
Kathryn Rose, Staff Attorney of CRLA  
Naranjan S. Samra  
Corn & Harris Development  
Denny Jackman, President of Growth, Orderly, Affordable, Livable (GOAL)  
Donald R. Swatman, D.D.S. Inc.  
Greg Belden

Numerous comments were also received during the public workshops.

The following source materials were utilized in the preparation of the Report:

City of Modesto, Urban Area General Plan, 1995

City of Modesto, Memo re: Modesto Business Parks, January 11, 2000, by Harlan Westenberg

Recommended Modesto Economic Development Strategy, Prepared by Kreines & Kreines, December 1992

Inventory of Business and Industrial Parks in Central Valley Cities, Prepared for the Central California Futures Institute by Scot Houser, Ph.D., Department of Economics, California State University, Fresno, January 2000

Draft City of Modesto Economic Development Policy, 2000

Stanislaus County Economic Strategy Plan, Prepared by Kreines & Kreines, July 1989

State of California agency reports and data, including the Employment Development Department, Department Finance, and Department of Housing and Community Development