



CITY of PATTERSON  
2010 General Plan  
Background Report

July, 2010

# I. LAND USE

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## Introduction

Land use is the principal focus of the general plan. This chapter provides a context for the General Plan by describing existing land use conditions and local, regional, state, and federal plans and policies that have a bearing on land use in Patterson.

## Regional Setting, City Limits and General Plan Area

Patterson occupies about 6.6 square miles in western Stanislaus County, approximately 15 miles southwest of Modesto. The San Joaquin River lies three miles to the east and Interstate 5 passes about three miles to the west. Farther west lies the Diablo Mountain Range. Figures I-1 and I-2 show Patterson's general location.

The City limits of Patterson included about 6.6 square miles in 2007

Patterson's 2007 city limits lie generally south of Eucalyptus Road, west of Sycamore Avenue, north of the Patterson Irrigation District Canal and east of Rogers Road. The currently adopted General Plan and sphere of influence (discussed later) are shown in Figure I-3. For the purposes of the General Plan, the City of Patterson and the consultants defined a General Plan Study Area as shown in Figure I-3. The Study Area is generally bounded by the San Joaquin River to the east, Interstate 5 on the west, Needham Road west of Highway 33 to the north, and W. Marshall Road to the south.

## History Of Land Use Planning In Patterson

### Early Developments

The Patterson town and colony were platted in 1909 by Thomas W. Patterson who modeled the City after Washington DC and Paris, France. Patterson subdivided lots outside the town center into five-, ten-, and twenty-acre plots. In December 1919, Patterson voted to become an incorporated city. The first Planning Commission was formed in 1949. A zoning ordinance and map were completed in 1955 and the City's street tree ordinance was established.

Patterson incorporated as a City in 1910

### 1959 General Plan

Town planning in Patterson began as a cooperative effort with Stanislaus County and its incorporated cities in 1957, with funding from the U.S. Housing and Home Finance Agency. The Program was assigned to the Cities-County Planning Advisory Committee, composed of representatives of the participating agencies. The committee was also responsible for the

standardization of subdivision and zoning ordinances, a thoroughfare plan, and housing survey.

The Patterson Planning Commission and City Council adopted the General Plan in April 1959. By February 1961, general plans for the Modesto-Ceres-Empire Area, Newman, Oakdale, Riverbank, and Patterson had been completed and adopted by the Cities and County Planning Commissions. In 1961, the County Planning Commission completed and adopted a General Plan for all of Stanislaus County.

### **1973 General Plan**

A comprehensive revision of the 1959 plan was completed in 1973. Preparation of the plan was financed in part by a grant from the California Department of Housing and Community Development. The plan was prepared by the Stanislaus Area Association of Governments (SAAG). As part of the plan, a number of countywide Environmental Resource Management Elements (ERME) prepared by SAAG were adopted that addressed soils, water, geology and seismic safety, agriculture, recreation and open space, and wildlife and vegetation.

### **1978 General Plan**

After adoption of the 1973 General Plan, a number of state laws concerning general plans and zoning were passed. The formation of policy on future growth and concern over general plan and zoning consistency prompted a general plan study and revision. The 1978 plan contained the nine mandatory elements: land use, housing, circulation, conservation, open space, noise, safety, seismic safety, and scenic highways. (Since then, state law has consolidated safety and seismic safety into one required element and the scenic highways element has been deleted.)

Issues addressed in the 1978 General Plan included expansion of the City's sewer treatment plant and the City's purchase of the water company. Land outside the city limits within the General Plan area was designated as Residential Reserve, Commercial Reserve, and Industrial Reserve. The 1978 General Plan guided the city until adoption of the revised General Plan in 1992.

### **1984-85 General Plan Revision Preliminary EIR**

In 1984, the City of Patterson initiated a revision of its 1978 General Plan. The City began by preparing a preliminary Environmental Impact Report on potential land uses under a revised General Plan. The Preliminary EIR evaluated a proposed General Plan area extending beyond the 1978 General Plan area south to Elfers Road between Ward Avenue and Highway 33, north to Eucalyptus Avenue between Highway 33 and Sycamore Avenue, and east to Sycamore Avenue. The Preliminary EIR outlined a thorough revision of the General Plan.

The Preliminary EIR was adopted by the City Council in 1985. However, no general plan land use diagram or policy development was completed.

### **1985 Housing Element**

Responding to new state housing element requirements, the City adopted a revised housing element in 1985. The housing element superseded the element contained in the 1978 General Plan. It contains goals, objectives, and recommendations for implementation of specified actions. The recommended actions are intended to respond to anticipated housing needs of Patterson residents through 1992. The plan discusses existing and projected housing needs, including available land and potential constraints on housing development.

### **1992 General Plan**

In 1988, prompted by growth pressures and concern over the future direction of Patterson, the City retained a consultant team to undertake a complete revision of the City's General Plan. The Patterson General Plan was adopted in 1992 and was intended to provide guidance for the growth and development of the City through 2012. Although the Plan was revised and updated in 2004 (see below), the area covered by the Plan and its vision for the future have remained largely unchanged.

Under the 1992 Plan, the City has made a number of important achievements, which include:

- Attractive residential neighborhoods with a variety of housing products, parks and schools;
- A larger supply of affordable housing, including housing for seniors and very-low income households;
- Commercial retail development to serve the day to day needs of Patterson residents;
- A successful business park;
- A community pool, regional sports park, award-winning City Hall and other community amenities;
- Improvements to the downtown;

The 1992 Plan designated a significant amount of additional land for urban development. In 2007, about 80 percent of this land is either developed or entitled for development.

### **2004 General Plan Revisions**

In 2004 the City undertook a review of the 1992 General Plan with the goal of incorporating past accomplishments and re-visiting the growth management objectives of the Plan. This effort was not a comprehensive update; rather, it was intended as a "reality check" of the Plan's goals, policies and programs.

During this effort, the City's consultants conducted a public workshop at which a range of issues were presented to the Planning Commission and City Council for consideration. The City's consultants also presented options for addressing these issues which served as the basis for the revisions that were subsequently adopted in 2004. The main revisions addressed the following topics:

- Significant revisions to the Plan's growth management policies;
- The establishment of an Estate Residential land use designation and the application of this designation to the area south of Poppy Avenue;
- Other miscellaneous changes to incorporate past accomplishments, to remove policies and programs that are no longer applicable, and to ensure consistency with recent changes to State law;

## **Redevelopment**

The Patterson Redevelopment Agency was established in 1998 in accordance with Health and Safety Code §33000 to provide a tool to eliminate blighting conditions within portions of the city. The Project Area consists of about 420 acres. The fundamental goal of redevelopment is to alleviate social, economic, physical, or visual problems that are preventing the full and beneficial use of public and private properties within a portion of the city. The Community Redevelopment Law (CRL) characterizes these problems as blight.

Redevelopment can help finance the improvement of blighted areas by allowing a portion of the increase in property tax revenue generated by new development to be spent on activities that promote physical and economic revitalization, increase the supply of affordable housing and expand employment opportunities. These activities must proceed in accordance with a Redevelopment Plan that describes how the constraints and conditions that preclude the effective utilization of public and private properties within the redevelopment area will be addressed.

The primary focus of the Agency's activities during the past seven years has been to lay the groundwork for the continued revitalization of the Downtown and the elimination of the blighting conditions that remain. Although considerable progress has been achieved over the past five years, as described in Chapter III, much work remains to be done. All of these efforts have helped to improve economic conditions within the City, provide jobs and remove physical and economic blight.

## **West Patterson Business Park Master Development Plan**

The West Patterson Master Development Plan is a cooperative effort of the City, Stanislaus County and the property owners in the Plan area. When it was adopted in 2002, it was intended to supplement the general plans of both jurisdictions by establishing area-specific development standards and design guidelines that will apply to all new development. In 2003 the Local Agency Formation Commission (LAFCo) approved expansion of the

City's sphere of influence to accommodate the entire business park. Subsequently, the City annexed the entire area, including the Villa del Lago highway commercial center at Rogers Road and Sperry Avenue.

All subsequent development proposals within the Plan area must be found to be consistent with the Master Development Plan, which in turn must be consistent with the City's General Plan.

## **Community Design Guidelines and Downtown Physical Design Plan**

In 2002 the City adopted the City of Patterson Community Design Guidelines and Downtown Physical Design Plan. The design guidelines describe and inform project designers and applicants of the City's expectations and preferences for the quality and character of new development. The Design Guidelines help ensure that new development is designed in a manner that responds to the unique characteristics of its individual site, but also to fit into the wider context of Patterson.

The Downtown Physical Design Plan is intended to capture the community's shared vision for a revitalized Downtown that is an attractive place to visit, shop and do business by providing a physical design plan that can help guide these revitalization efforts. In the downtown, attention to the design details of both private property development, and the City's treatment of the public realm, warrant more detailed planning and design direction than the general guidelines provide. The downtown is an area of the city where the design of individual projects and the streetscape are critical to maintaining or improving the attractiveness and other special qualities of each area.

The area covered by the Downtown Plan and Design Guidelines includes the commercial properties around El Circulo and land to the west along Las Palmas Avenue envisioned as the westward expansion of the Downtown in the Patterson General Plan.

## **General Plan Land Use Diagram and Standards**

The Land Use Diagram (Figure I-3) depicts proposed land use for Patterson. The following sections describe the land use designations appearing on the Land Use Diagram, standards of population density and building intensity for the various land use designations, and examples of locations within the Planning Area where the various land use designations have been applied.

Standards of building intensity for residential uses are stated as the allowable range of dwelling units per gross acre. Standards of population density for residential uses can be derived by multiplying the maximum allowable number of dwelling units per gross acre by the average number of persons per dwelling unit assumed for the applicable residential designation. The assumed average number of persons per dwelling unit for each residential designation has been extrapolated from estimates by the California Department of Finance for Stanislaus County.

Standards of building intensity for non-residential uses are stated as maximum floor-area ratios (FAR5). An FAR is a ratio of the gross building square footage permitted on a lot to the net square footage of the lot. For example, on a site with 10,000 net square feet of land area, an FAR of 1.0 will allow 10,000 gross square feet of building floor area to be built. On the same site, an FAR of 1.5 would allow 15,000 square feet of floor area; an FAR of 2.0 would allow 20,000 square feet; and an FAR of 0.5 would allow 5,000 square feet.

#### **Low Density Residential (LR)**

This designation provides for single-family detached and attached homes, secondary residential units, public and quasi-public uses, and similar and compatible uses. Residential densities shall be in the range of 1.1 to 5.0 units per gross acre. This designation, which is found in numerous areas throughout the city, assumes an average of 3.00 persons per dwelling unit.

#### **Downtown Residential (DR)**

This designation provides for single-family detached and attached homes, duplexes, secondary residential units, emergency shelters, transitional housing, public and quasi-public uses, and similar and compatible uses. Residential densities shall be in the range of 3.1 to 10.0 units per gross acre. This designation, which is found in the historic residential part of the city and immediately to the west, assumes an average of 2.75 persons per dwelling unit.

#### **Medium Density Residential (MR)**

This designation provides for single-family and multi-family residential units, emergency shelters, transitional housing, public and quasi-public uses, and similar and compatible uses. Residential densities shall be in the range of 5.1 to 12.0 units per gross acre. This designation, which assumes an average of 2.50 persons per dwelling unit, is found surrounding the western extension of the downtown commercial/civic core area and at other locations throughout the city.

#### **High Density Residential (HR)**

This designation provides for single family and multi-family residential units, group quarters, emergency shelters, transitional housing, public and quasi-public uses, and similar and compatible uses. Residential densities shall be in the range of 12.1 to 20.0 units per gross acre. This designation assumes an average of 2.50 persons per dwelling unit. This designation is applied to an area adjacent to the western extension of the commercial/civic core and at other locations throughout the city.

#### **Estate Residential (ER)**

This designation provides for the development of large-lot single family detached homes, secondary units, public and quasi-public uses, and similar and compatible uses. Residential densities shall be in the range of one dwelling unit per 0.5 acres up to one dwelling unit per 3 acres. This

designation assumes an average of 3.00 persons per dwelling unit. This designation is applied to the area south of Poppy Avenue and east of Ward Avenue.

### **Downtown Core (DC)**

This -designation provides for restaurants, retail, service, professional and administrative offices, hotels, multi-family residential units, public and quasi-public uses, and similar and compatible uses. The FAR for offices and commercial uses shall not exceed 2.00; residential densities shall be in the range of 12.1 to 20.0 units per gross acre. Residential uses in this designation shall be subject to discretionary review and approval, and may be combined with non-residential uses on the same lot. This designation assumes an average of 2.50 persons per dwelling unit. This designation is applied to the existing downtown area and its western extension.

### **Highway Service Commercial (HSC)**

This designation provides for restaurants, service stations, hotels and motels, and retail and amusement uses which are oriented principally to highway and through traffic, public and quasi-public uses, and similar and compatible uses. The FAR shall not exceed 0.40. This designation is applied to an area near Interstate 5 at the western edge of the Planning Area.

### **General Commercial (GC)**

This designation provides for land-extensive retail and wholesale commercial uses, offices, public and quasi-public uses, and similar and compatible uses. The FAR shall not exceed 0.40. Office uses in this designation shall be subject to discretionary review and approval. The GC designation is applied to areas along the west side of Highway 33.

### **Medical/Professional Office (MP)**

This designation provides for medical, professional, and administrative offices, hospitals, medical and dental clinics, laboratories, public and quasi-public uses, and similar and compatible uses. The FAR shall not exceed 0.40. This designation is applied to the existing hospital site and an area at the intersection of Sperry Avenue and Baldwin Road.

### **Light Industrial (LI)**

This designation provides for industrial parks, warehouses, light manufacturing, public and quasi-public uses, and similar and compatible uses. The FAR shall not exceed 0.40. This designation is applied to a large area north and south of Sperry Avenue in the western part of the Planning Area and in the southeastern corner of the Planning Area.

### **Heavy Industrial (HI)**

This designation provides for industrial parks, warehouses, manufacturing, public and quasi-public uses, and similar and compatible uses. The FAR shall not exceed 0.40. This designation is applied to the existing industrial area and its extension in the southeastern part of the Planning Area.

**Public/Quasi-Public (PQP)**

This designation provides for government-owned facilities, public and private schools, and quasi-public uses such as churches and meeting halls. The FAR shall not exceed 0.50. This designation is applied to publicly-owned facilities, schools, churches, and other public/quasi-public uses throughout the Planning Area.

**Parks and Recreation (PR)**

This designation provides for existing and major planned public parks. The FAR for development in PR-designated areas shall not exceed 0.20. The PR designation is applied to existing public parks.

**Agriculture (AG)**

This designation provides for agricultural uses, industrial uses related directly to agriculture, related single-family homes, and similar and compatible uses. The minimum parcel size shall be 40 acres. This designation is applied to all lands outside the boundaries of the Planning Area.

Table I-1 provides a summary of the land use categories by net acres. It should be noted that the acreage total in Table I-1 excludes land covered by highways and roads which run through the city. The total therefore falls short of the total gross acreage.

As Table I-1 indicates, over 47 percent of the land in the City's adopted General Plan is designated for some kind of residential use, with about 34 percent of this land set aside exclusively for single-family dwellings. Industrial zoning occupies about 27 percent of the Plan area. The bulk of this land is located in the *West Patterson Business Park Master Plan* area and east of Second Street, and south of Sperry east of the Patterson Water District main canal. Land designated for commercial development makes up about 7 percent of the Plan area. Commercial land is concentrated in the downtown circle and in a strip on the west side of Second Street/Highway 33, and at the intersection of Ward Avenue and Sperry Avenue.

| Table I-1: Gross Acreage By General Plan Land Use Category<br>City of Patterson, 2009  |                                |                  |
|--|--------------------------------|------------------|
| Land Use Category  | Total Gross Acres <sup>1</sup> | Vacant Acres     |
| Mixed-Use Hillside Development   | 0                              | 0                |
| Neighborhood Village   | 0                              | 0                |
| Estate Residential   | 388                            | 388 <sup>2</sup> |
| Low Density Residential  | 1,684                          | 516              |
| Medium Density Residential   | 389                            | 321              |
| High Density Residential   | 58                             | 14               |
| Downtown Residential   | 203                            | 0                |
|  |                                |                  |
| Downtown Core  | 141                            | 59               |
| Regional Commercial  | 0                              | 0                |
| General Commercial   | 136                            | 74               |
| Highway Service Commercial   | 91                             | 38               |
| Neighborhood Commercial  | 0                              | 0                |
| Medical/Professional Office  | 6                              | 4                |
|  |                                |                  |
| Light Industrial   | 979                            | 668              |
| Heavy Industrial   | 223                            | 91               |
|  |                                |                  |
| Public/Quasi-Public <sup>3</sup>   | 375                            | 35               |
| Parks and Recreation   | 258                            | 91               |
|  |                                |                  |
| Other <sup>4</sup>   | 36                             | --               |
| <b>Total Acres:</b>  | <b>4,967</b>                   | <b>2,272</b>     |
| Source: CMCA, 2009   |                                |                  |
| Notes:   |                                |                  |
| 1. Gross acres refers to the total area inclusive of streets.  |                                |                  |
| 2. Areas currently designated Estate Residential are largely under-developed and for purposes of this EIR are considered vacant. |                                |                  |
| 3. Includes 145 acres associated with the wastewater treatment plant.  |                                |                  |
| 4. Land not classified by a land use designation, such as canals.  |                                |                  |

Figure I-1: State Location

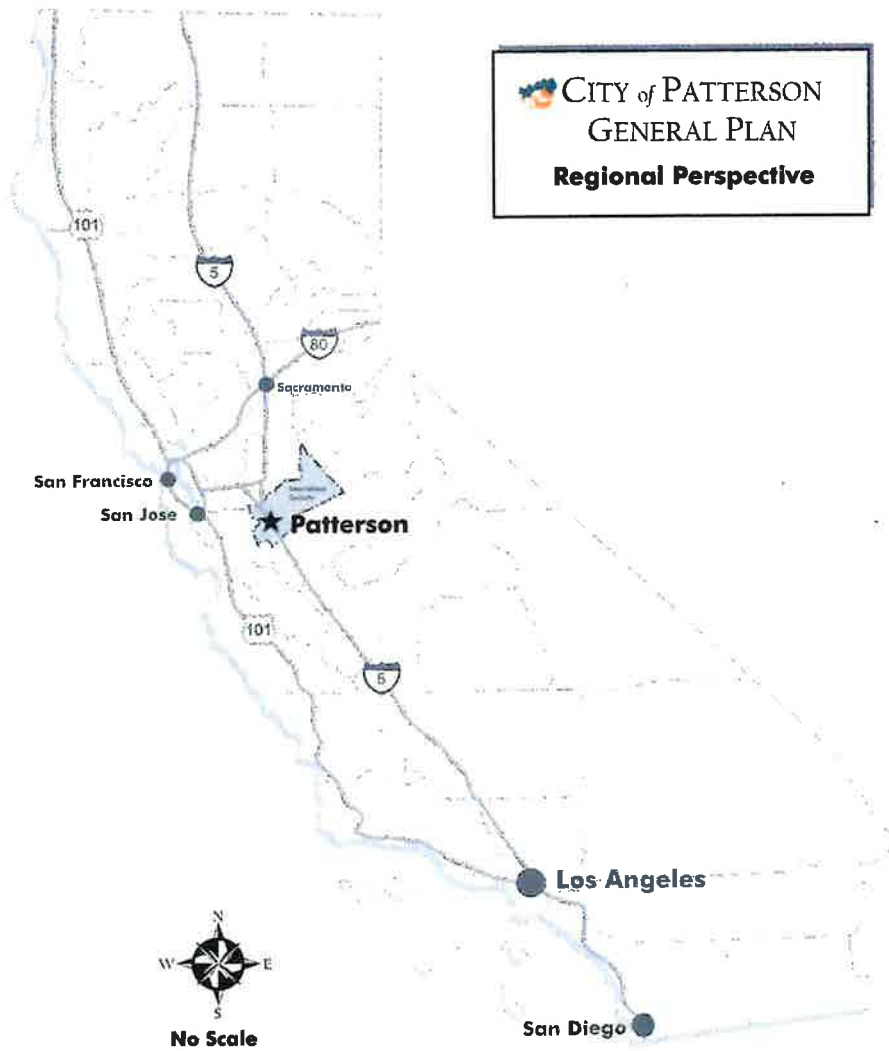
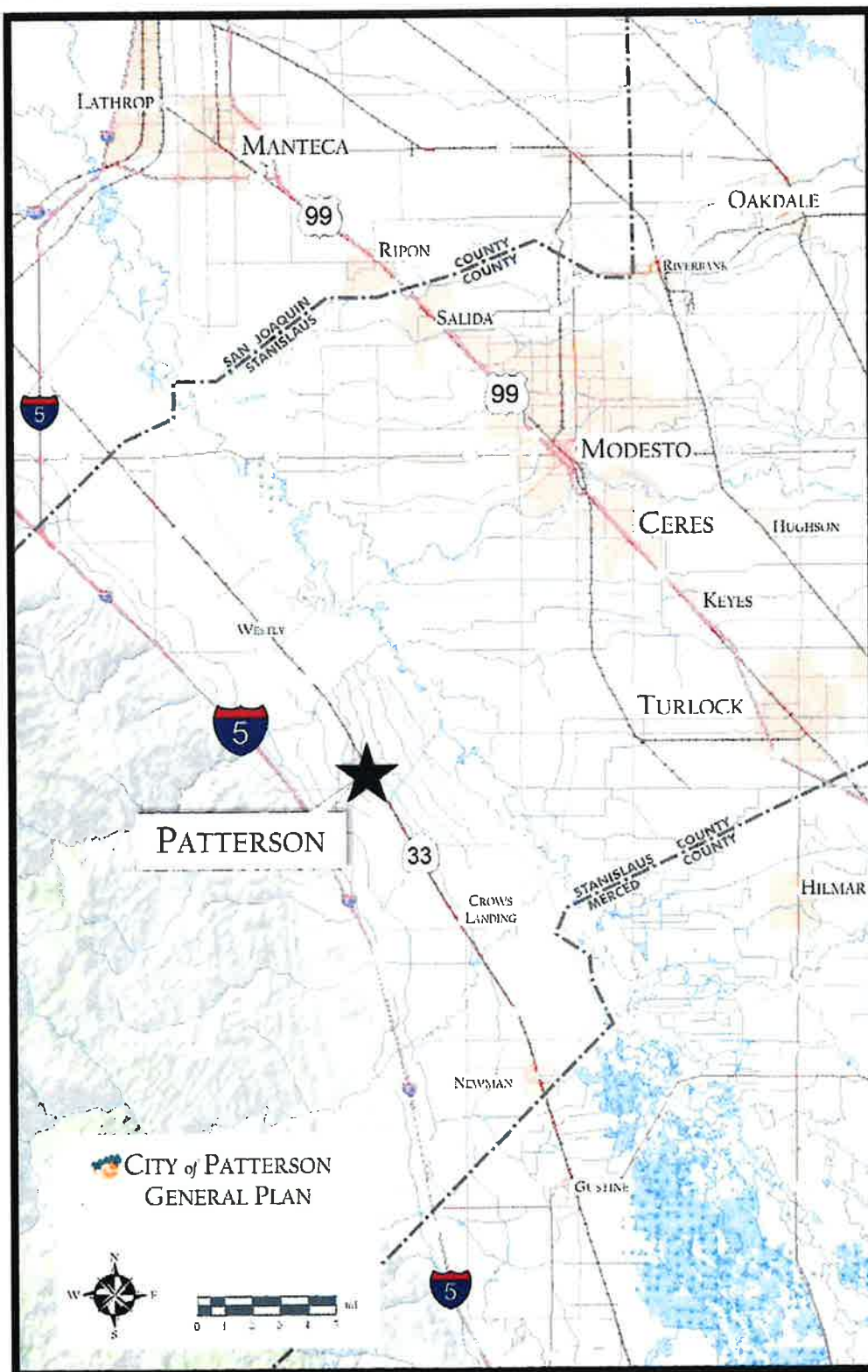


Figure I-2: Regional Location





## Zoning Districts

Under state law, cities and counties have broad latitude in establishing zoning standards and procedures. Outside of a general requirement for open space zoning and several special requirements governing residential zoning, state law establishes only broadly the scope of zoning regulation and sets minimum standards for its adoption and administration. One key requirement, however, is that zoning must be consistent with the general plan. City zoning can be seen on Figure I-4.

Patterson's zoning ordinance, originally adopted in 1955, has been amended many times over the years. The following is a summary of selected zoning districts.

### Residential Agricultural (R-A)

The purpose of the Residential Agricultural zone is to stabilize and protect the rural residential characteristics of the area to which it is applied. The R-A zone is intended for rural family homes with limited agricultural uses. The minimum lot area in the R-A zone is 7,000 square feet for corner lots and 6,000 square feet for interior lots with minimum lot widths of 70 feet for corner lots and 60 feet for interior. A maximum of 40 percent of the site is permitted for aggregate building coverage. Front yards must be at least 25 feet and at most 35 feet. Rear yards must be at least 20 feet. Side yards must be at least 10 feet on the street side and 5 feet on respective sides of interior lots. No main building may exceed 35 feet in height and no accessory structure may exceed 15 feet. Accessory buildings used for the keeping of poultry or animals must be at least 60 feet from the front property line.

### Low Density Residential (LR)

The Low Density Residential zone is intended to provide for single-family homes, together with schools, parks, open space, and other public services. The minimum lot area in the LR zone is 7,000 square feet for corner lots and 6,000 square feet for interior lots with minimum lot widths of 70 feet for corner lots, 60 feet for interior lots, and 40 feet for cul-de-sac lots, and a minimum lot depth of 100 feet. Front and rear yards must be at least 20 feet, and side yards must be at least 10 feet on the street side and 5 feet on respective sides of interior lots. No main building may exceed 35 feet in height and no accessory structure may exceed 20 feet. Off-street parking must be provided.

### Downtown Residential (DR)

The DR, downtown residential district is intended to stabilize and protect the residential characteristics of the district, to promote and encourage a suitable residential environment, and to provide for single-family detached and attached homes, duplexes, secondary residential units and the services appurtenant thereto. Residential densities in the DR, downtown residential district are in the range of 3.1 to 10.0 units per gross acre. The minimum lot area for interior lots is 6,000 square feet and

for corner lots 7,000 thousand square feet. Minimum required yard areas are 20 feet for the front yard, 5 feet for an interior side yard, 10 feet for an exterior side yard and 20 feet for the rear yard. Off-street parking must be provided.

#### **Medium Density Residential (MR)**

The MR zone is intended to allow for two family homes and for the compatible mingling of single family dwellings and duplexes. Lot and yard, height, and architectural review requirements are identical to those of the LR zone. Off-street parking must be provided.

#### **High Density Residential (HR)**

The High Density Residential zone allows for multiple-family dwellings or apartment houses and duplexes. The minimum lot area in the HR zone is 7,000 square feet for corner lots and 6,000 square feet for interior lots with minimum lot widths of 70 feet for corner lots, 60 feet for interior lots, and 40 feet for cul-de-sac lots, and a minimum lot depth of 100 feet. The minimum lot area per dwelling unit is 2,178 square feet, equivalent to 20 units per acre. Front yards must be at least 20 feet, rear yards must be at least 5 feet, and side yards must be at least 10 feet on the street side and 5 feet on respective sides of interior lots, provided that the minimum space between dwellings on adjacent parcels is 12 feet. There must be at least 10 feet between dwelling units on the same lot and 10 feet between dwellings and accessory buildings. No main building may exceed 35 feet in height and no accessory structure may exceed 20 feet. Site plans must be approved by an architectural review committee. Off-street parking must be provided.

#### **Neighborhood Commercial (NC)**

The Neighborhood Commercial zone is intended to provide for centers for convenient shopping and services in residential neighborhoods. The NC zone provides for commercial uses when conducted within a building, and for two-family dwellings, multiple-family dwellings, professional offices, churches, libraries, other public and quasi-public facilities, and rooming and boarding houses. The minimum lot area in the NC zone is 5,000 square feet. Front yards must be at least 15 feet, except when abutting a residential zone, in which case the minimum front yard is 20 feet. Rear yards must be at least 10 feet. There is no minimum side yard, except when lots abut a residential zone, in which cases the side yard must be at least that required in the abutting zone. There must be at least 20 feet between dwelling units on the same lot, 10 feet between dwellings and accessory buildings. No main building may exceed 35 feet in height. Off-street parking must be provided.

#### **Highway serving Commercial (HSC)**

The HSC, highway service commercial district is applied to locations along highways and is intended to provide businesses and services to meet the needs of the traveling public. The minimum lot area in the HSC

zone is 5,000 square feet. The front yard requirement is ten feet, with ten foot side yards. The rear yard requirement is ten feet.

#### **Medical Office Professional (MPO)**

The purpose of the MPO, medical/professional office district is to provide for concentrations of hospitals, medical facilities, auxiliary uses, and medical services and to encourage an orderly and harmonious development of these facilities which are performing services for residents of the city as a whole. The minimum lot area is 5,000 square feet, with a floor area ratio of 0.40. The front yard requirement is 15 feet, with five foot side yards. The rear yard requirement is 10 feet.

#### **Downtown Core (DC)**

The DC zone allows for retail stores and personal service establishments. The minimum lot area in the DC zone is 2,000 square feet. There are no minimum front and rear yard requirements, except when abutting a residential zone, in which case the minimum front and rear yard is the same as that required in the abutting zone. Rear yards abutting on alleys must be at least 10 feet. There is no minimum side yard, except when lots abut a residential zone, in which case the side yard must be at least 5 feet. No building or structure may exceed 50 feet in height.

#### **General Commercial (GC)**

The General Commercial zone allows for all uses permitted in DC zone, and for wholesale and storage within buildings and secondhand sales. The minimum lot area in the DC zone is 2,000 square feet. There are no minimum yard requirements except when abutting a residential zone, in which case the minimum front yard requirement must be at that required in the abutting zone, and side and rear yards must be at least 5 feet. Rear yards abutting an alley must be at least 10 feet. No building or structure may exceed 50 feet in height.

#### **Light Industrial (LI)**

The Light Industrial zone allows for retail and wholesale stores and storage, service establishments, other light industrial uses. There are no minimum lot area requirements in the LM zone. Front yards and side yards of corner lots must be at least 15 feet. There are no minimum side and rear yard requirements except when abutting a residential zone, in which case the minimum side yards must be at least 5 feet and rear yards must be 10 feet. If the LM zone is separated from a residential zone by a street, alley, canal, or other public right-of-way, no rear yard is required. No building or structure may exceed 35 feet in height. Off-street parking must be provided.

#### **West Patterson Industrial Business Park (WPIBP)**

The West Patterson Industrial Business Park zoning district is applied exclusively within the area governed by the West Patterson Business Park Master Development Plan (shown on Figure I-5). The WPIBP zone

is applied to areas appropriate for light industrial and business park land uses, including low-intensity manufacturing and assembly processes, research and development, and corporate headquarters offices. The land uses allowed and development standards required within the IBP district are intended to protect adjacent areas from impacts while allowing indoor, clean, and quiet industry. Land uses in the IBP zoning district are often organized as a business park, with tenants that may include some commercial activities.

#### **West Patterson Light Industrial (WPLI)**

The WPIL zoning district is applied to areas within the West Patterson Business Park Master Development Plan area appropriate for light industrial and manufacturing, warehousing, offices and assembly uses.

#### **Heavy Industrial (HI)**

The Industrial zone provides areas for operation of industries, including retail and wholesale store or storage, service establishments, light industrial and manufacturing uses. There are no minimum lot or yard requirements in the M zone. No building or structure may exceed 50 feet in height.

#### **Parks and Recreation District (PR)**

The purpose of the PR, parks and recreation district is to provide for existing and major planned public and private parks and recreational facilities and to encourage an orderly and harmonious development of these facilities which are performing services for residents of the city as a whole. The PR, parks and recreation district is intended to guide and regulate public and private parks and recreational facilities, and similar and compatible uses. The minimum lot area is twenty thousand square feet, or as specified by the deciding body. The maximum floor area ratio in the PR, parks and recreation district shall not exceed 0.20. The front yard requirement is twenty feet, with side yards often feet and a rear yard of ten feet.

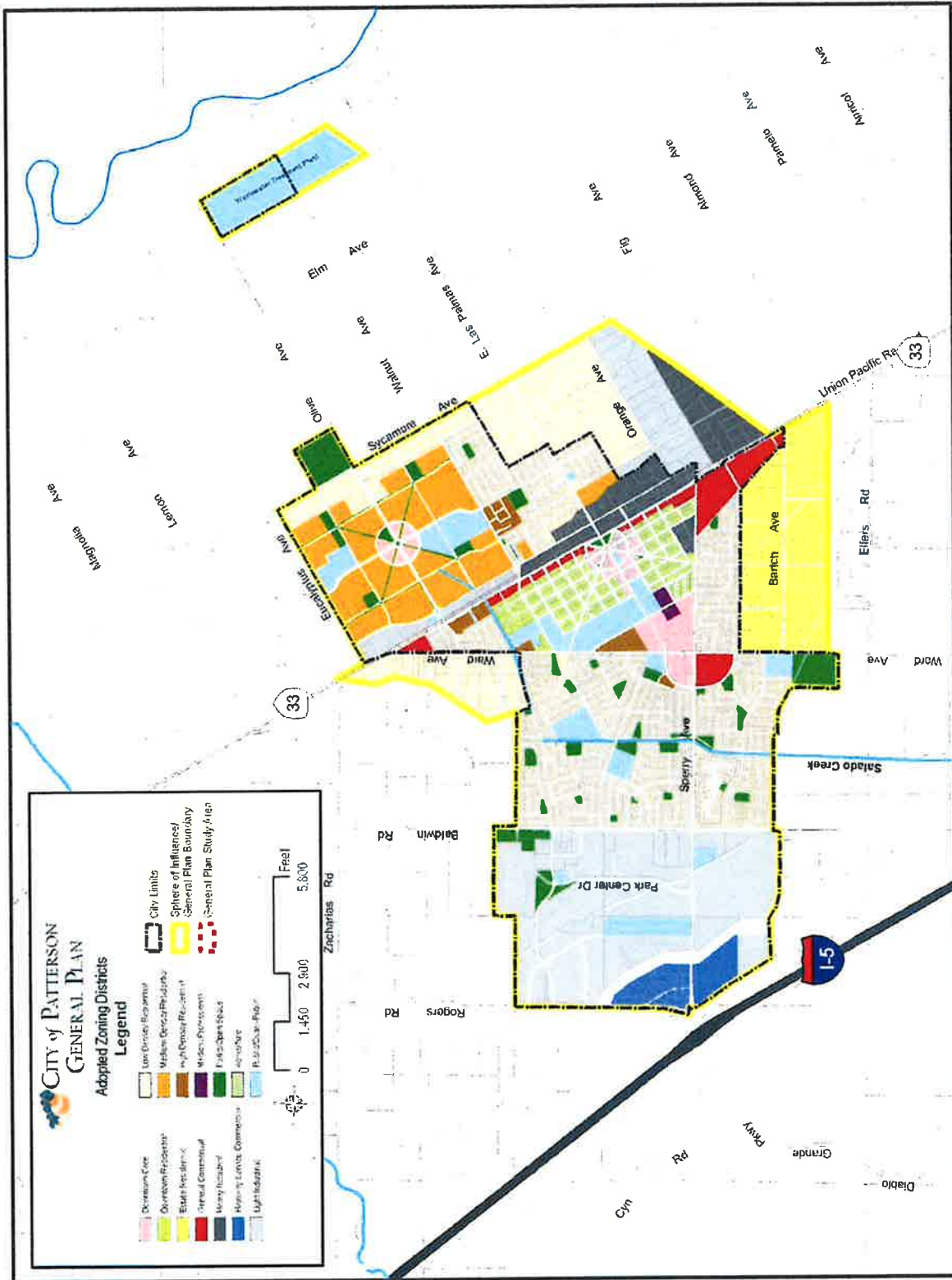
#### **Public/Quasi-Public (PRP)**

The purpose of the PQP, public/quasi-public district is to provide for concentrations of government-owned facilities, public and private schools, and quasi-public uses and to encourage an orderly and harmonious development of these facilities which are performing services for residents of the city as a whole. While certain uses may not be totally under the jurisdiction of city regulatory controls, the city may still make the determination as to where such facilities should be located and administer a site plan review procedure. These uses would include facilities under the jurisdiction of county, state, and federal agencies. The minimum lot area is 10,000 square feet, with a floor area ratio of 0.50. The front yard requirement is 15 feet, with five foot side yards and a ten foot rear yard.

**Planned Development (PD)**

The PD is a combining zone intended for parcels which are suitable for proposed developments and for which detailed development plans have been submitted and approved and/or for which detailed written development plans and/or regulations are approved.

Figure I-4: City Zoning





**Existing Land Use**

Existing land use (2009) within the General Plan area is summarized in Table I-2 by generalized land use categories which are shown in Figure I-6. Future growth in the city is dependent on the development of vacant lands within the city, and the conversion of agricultural lands to urban use.

| Table I-2: Existing Land Use By Generalized Land Use Category --<br>General Plan Study Area (2009)<br>(gross acres <sup>1</sup> ) |                        |                                   |                               |                                    |
|---|------------------------|-----------------------------------|-------------------------------|------------------------------------|
| Land Use Category   | Within the City Limits | Within the 1992 General Plan Area | Total General Plan Study Area | Percent of General Plan Study Area |
| Agriculture   | 881                    | 1,726                             | 9,079                         | 71.1%                              |
| Commercial  | 199                    | 199                               | 199                           | 1.6%                               |
| Industrial  | 493                    | 493                               | 493                           | 3.9%                               |
| Public/Quasi-Public/Parks/Open Space  | 492                    | 492                               | 492                           | 3.9%                               |
| Residential   | 1459                   | 1,505                             | 1602                          | 12.5%                              |
| Vacant Land Other Than Agriculture  | 260                    | 516                               | 530                           | 4.2%                               |
| Other Land <sup>2</sup>   | 36                     | 36                                | 373                           | 2.9%                               |
| <b>Total:</b>   | <b>3,820</b>           | <b>4,967</b>                      | <b>12,768</b>                 | <b>100%</b>                        |
| Source: CMCA, 2009  |                        |                                   |                               |                                    |
| Notes:  |                        |                                   |                               |                                    |
| 1. Gross acres inclusive of streets.  |                        |                                   |                               |                                    |
| 2. Includes water bodies, freeway rights of way and canals.   |                        |                                   |                               |                                    |

The City of Patterson owns land used for various purposes, including its sewage treatment plant, parks, police and fire department building, corporation yard, and other uses. A total of about 480 acres are owned by the City. A large portion of this acreage (about 130 acres) is non-contiguous land located east of the city near the San Joaquin River which accommodates the City's sewage treatment plant and evaporation ponds. Public facilities are shown in Figure 1-7 and Table 1-3.

Figure I-6: Existing Land Use

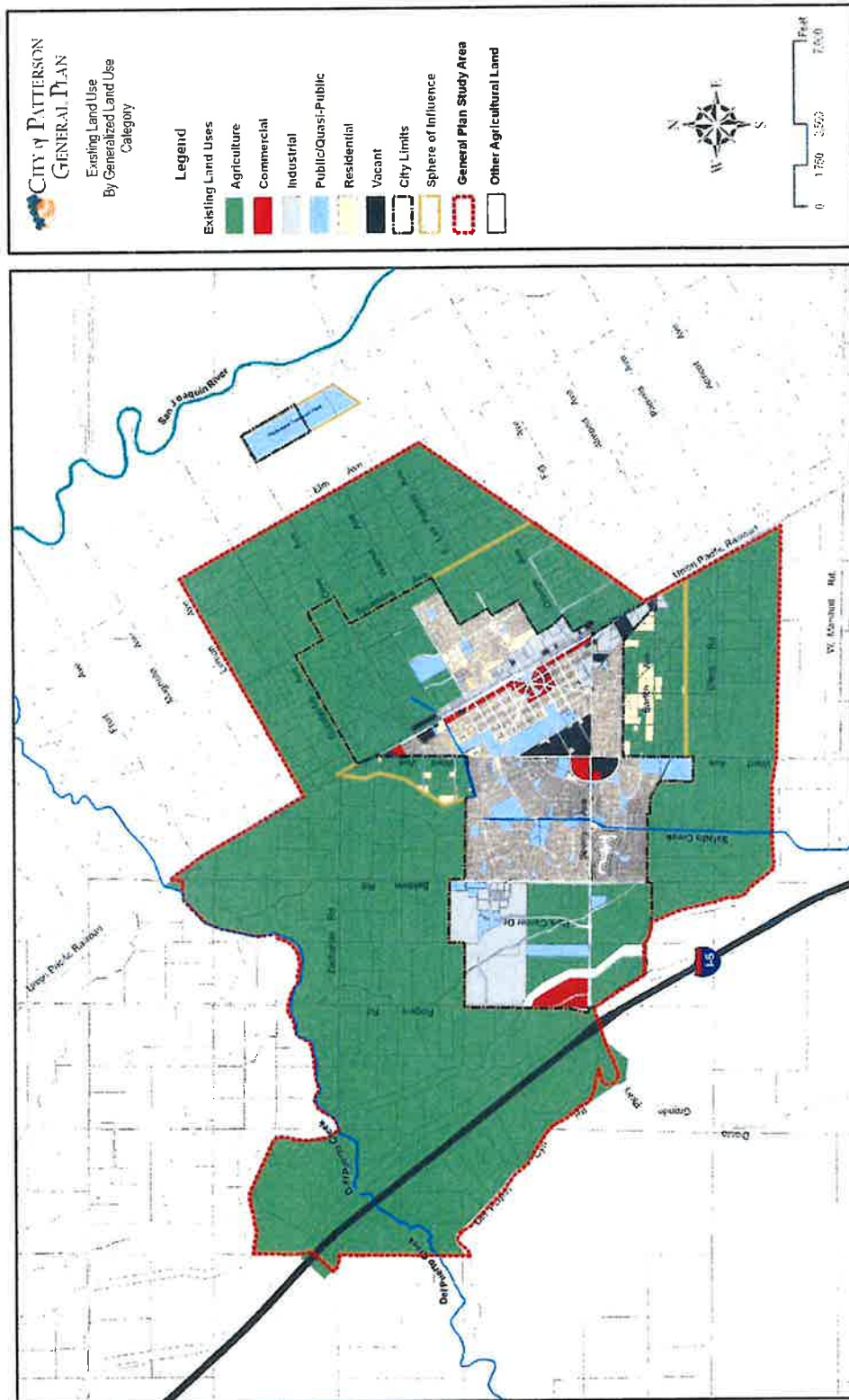


Figure I-7: Public Facilities

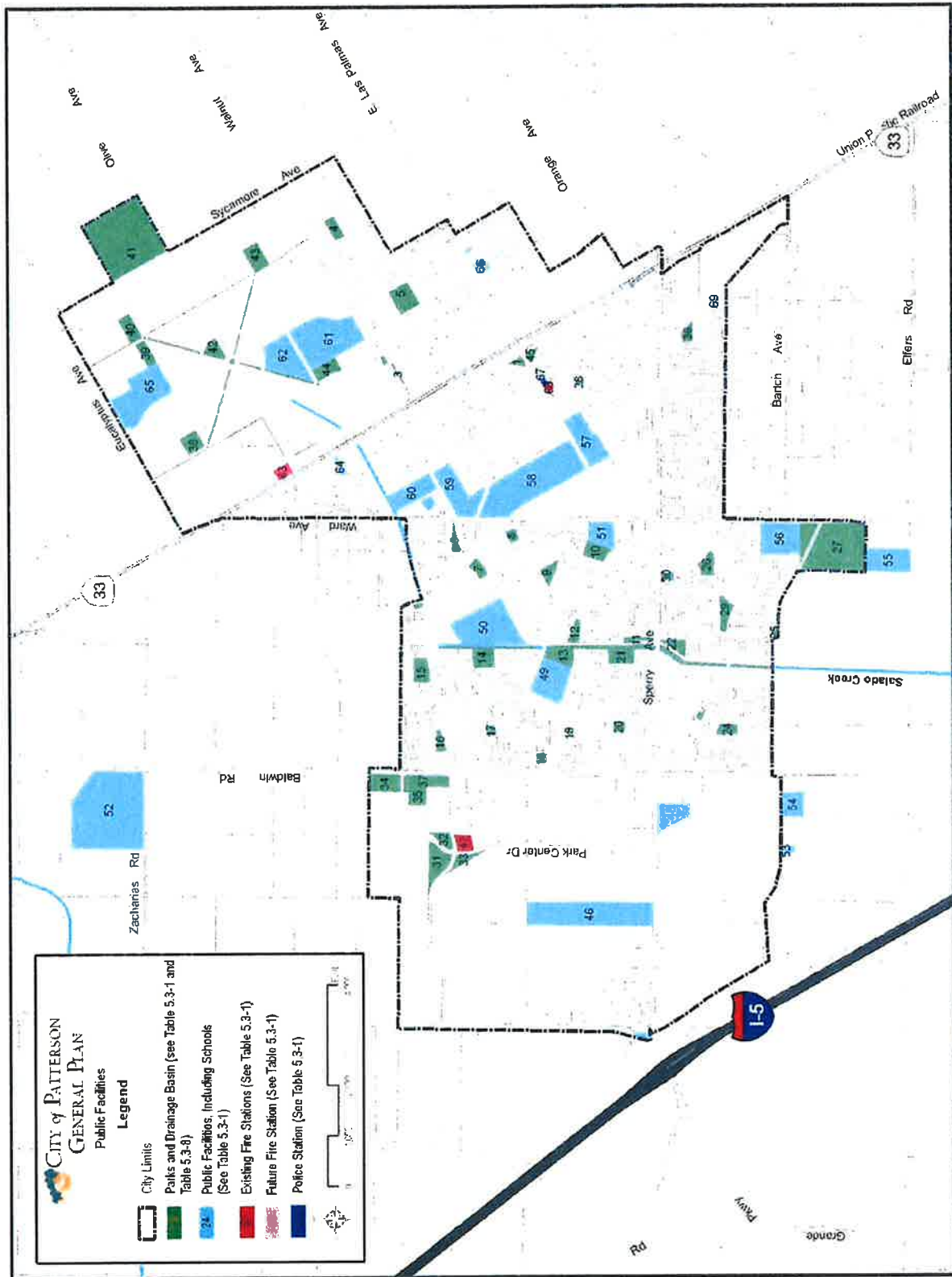


Table I-3: Public Facilities In Patterson  
(See Figure I-7)

| Number | Name                    | Number | Name   |
|--------|-------------------------|--------|--|
| 1      | North Park              | 36     | Sunflower Park   |
| 2      | Memorial Park           | 37     | Keystone Drainage basin                                      |
| 3      | Noble Park              | 38     | Undeveloped Park – Villages of Patterson                     |
| 4      | Wilding Park            | 39     | Undeveloped Park – Villages of Patterson                     |
| 5      | Felipe Garza Park       | 40     | Undeveloped Park – Villages of Patterson                     |
| 6      | Sorensen Park           | 41     | Undeveloped Park – Villages of Patterson                     |
| 7      | Newcastle Park          | 42     | Undeveloped Park – Villages of Patterson                     |
| 8      | Golden Amber Park       | 43     | Undeveloped Park – Villages of Patterson                     |
| 9      | Autumn Royal Park       | 44     | Undeveloped Park – Villages of Patterson                     |
| 10     | Tilton Park             | 45     | South Park   |
| 11     | Blenheim Park           | 46     | Patterson Airport  |
| 12     | Sun Glow Park           | 47     | Fire Station No. 2   |
| 13     | Floragold Park          | 48     | CDF Fire Station   |
| 14     | Ambercot Park           | 49     | Apricot Valley Elementary School                             |
| 15     | Goldbar Park            | 50     | Creekside Middle School                                      |
| 16     | Sungiant Park           | 51     | Patterson Community Center/Senior Center and Aquatics Center |
| 17     | Tri Gem park            | 52     | Future High School   |
| 18     | Rosette Park            | 53     | Water Tank   |
| 19     | Castlebrite Park        | 54     | City Corporation Yard  |
| 20     | Early Gold Park         | 55     | Future Community College                                     |
| 21     | Aprigold Park           | 56     | Future Elementary School                                     |
| 22     | Camas Lily Park         | 57     | Las Palmas Elementary School                                 |
| 23     | No Name                 | 58     | Patterson High School  |
| 24     | Woodland Star Park      | 59     | Northmead School   |
| 25     | Blue Fiesta Park        | 60     | Sacred Heart Catholic School                                 |
| 26     | Meadow Rue Park         | 61     | Elementary School  |
| 27     | Sports Complex          | 62     | Future School  |
| 28     | Del Puerto Park         | 63     | Future Fire Station  |
| 29     | Mustang Clover Park     | 64     | Drainage Basin   |
| 30     | Valley Lupine Park      | 65     | Future Elementary School                                     |
| 31     | Keystone Drainage Basin | 66     | Drainage basin   |
| 32     | Keystone Drainage Basin | 67     | City Hall  |
| 33     | Keystone Drainage Basin | 68     | Fire Station No. 1   |
| 34     | Keystone Drainage Basin | 69     | Drainage Basin   |
| 35     | Keystone Drainage Basin |        |  |

## Local Agency Formation Commission, Sphere Of Influence and Annexations

In 1985, the various state laws regulating city and special district organization and annexations were consolidated in the Cortese-Knox Local Government Reorganization Act (Government Code §56000 et seq.). The 1963 Knox-Nisbet Act, which was superseded by Cortese-Knox, created local agency formation commissions (LAFCOs) in each county in California to regulate the organization and extension of services provided by cities and special districts. The Act declares that *"among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances."*

One of the purposes of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities. (Government Code §56301). In meeting these responsibilities, each LAFCO is required *"to review and approve or disapprove, with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization consistent with written policies, procedures, and guidelines adopted by the commission"* (Government Code §56375). According to Section 56021 of the Government Code, *"change of organization"* means any of the following:

- A city incorporation
- A district formation
- An annexation to, or detachment from, a city or district
- A disincorporation of a city
- A district dissolution
- A consolidation of cities or special districts
- A merger or establishment of a subsidiary district

In addition to the regulatory responsibilities of LAFCO, the commission is empowered to initiate and to make studies of existing governmental agencies. These studies include, but are not limited to, inventorying local agencies and determining their maximum service areas and service capabilities.

In 2000, further amendments were enacted to the California Government Code relating to the responsibilities of LAFCOs in deciding local government reorganizations. Renamed the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), the goal of the revised law is to foster informed decision-making with regard to local government reorganizations by requiring the documentation of the ability of service providers to serve the areas within their *spheres of influence* (discussed below).

### Sphere of Influence

As the basis for making decisions about organizational changes and annexations, LAFCO must adopt a sphere of influence for each local agency subject to LAFCO regulation. The Cortese-Knox-Hertzberg Act defines a sphere of influence as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission" Government Code §56076). Under Government Code Section 56080, this can include the identification of an "urban service area" which identifies an area within a city's sphere of influence which is served by urban facilities, utilities, and services, or which is proposed to be served during the first five years of an adopted capital improvement program. The urban service area boundary shall be adopted by the LAFCO in cooperation with the affected city (Government Code §56080).

In determining the sphere of influence for each local agency, the LAFCO must consider and prepare a written statement of its determinations with respect to each of the following:

- The present and planned land uses in the area, including agricultural and open-space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency. (Government Code §56425).

Changes enacted to the Cortese-Knox-Hertzberg Act in 2000 now require LAFCOs to prepare a service review of municipal facilities to assess the provider's capacity to serve its sphere of influence. Government Code section 56430 states:

*(a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:*

1. *Infrastructure needs or deficiencies.*
2. *Growth and population projections for the affected area.*
3. *Financing constraints and opportunities.*
4. *Cost avoidance opportunities.*
5. *Opportunities for rate restructuring.*
6. *Opportunities for shared facilities.*

7. *Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.*
8. *Evaluation of management efficiencies.*
9. *Local accountability and governance.*

*(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.*

Following these changes to the CKH Act, the Stanislaus County Local Agency Formation Commission adopted revised policies and procedures aimed at implementing the purpose and intent of the new legislation. Consistent with the requirements stated above, the revised policies require the preparation of a *Sphere of Influence Plan and Master Services Element* for each sphere of influence in the County. The purpose of the Plan is to document the agency's capacity to provide services to accommodate the present and future planned development within its sphere of influence.

The heart of the Sphere of Influence Plan is the Master Services Element which provides specific service capabilities of the agency and demonstrates that the agency can provide adequate and efficient services to the areas included within the agency's sphere.

In addition to the service review requirements, when considering an amendment of a sphere of influence, a city is required to consult with the County as follows:

*56425 (B) At least 30 days prior to submitting an application to the commission for a determination of a new sphere of influence, or to update an existing sphere of influence for a city, representatives from the city shall meet with county representatives to discuss the proposed sphere, and its boundaries, and explore methods to reach agreement on the boundaries, development standards, and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere.*

Section 56425 further states that, if an agreement is reached between the city and county regarding the boundaries, development standards, and zoning requirements within the proposed sphere, the agreement shall be forwarded to the commission, and the commission shall "...give great weight to the agreement..." in the commission's final determination of the city sphere.

Once these spheres are adopted, LAFCO decisions must be consistent with applicable spheres (Government Code §56375.5). This means that LAFCO may not approve city annexations outside the adopted sphere of influence for a city.

Patterson's current sphere of influence was adopted by the Stanislaus County LAFCO in 2006. The City's sphere boundaries are coterminous with the existing General Plan boundaries (see Figure I-3).

### **Annexation History**

Since its incorporation in 1919, the City of Patterson has expanded through annexations to about 6.6 square miles in 2007. Proponents of an annexation must secure the approval of the affected city and the Local Agency Formation Commission. In inhabited territory--territory with at least 12 voters, a petition signed by 25 percent of the qualified electors in the area is filed with the city council which then calls a public hearing. A special election must then be held and the annexation must be approved by a majority of those voting. Proposals for annexing uninhabited territory--territory with fewer than 12 voters may be initiated by either the city or the landowners. No election is held and if approved by the Local Agency Formation Commission, the annexation occurs automatically, unless there is a protest by 50 percent or more of the owners of land and improvements in the area.

### **Stanislaus LAFCo Policies and Procedures**

The following LAFCO policies are included in LAFCO's Policies and Procedures Manual, August 27, 2003, and are relevant to the Patterson General Plan:

#### **POLICY 1 - PURPOSE.**

The purposes of the Local Agency Formation Commission are provided by the Cortese- Knox-Hertzberg Local Government Reorganization Act of 2000, and include the following:

- Discourage urban sprawl;
- Encourage orderly formation and development of local governmental agencies, based on local conditions and circumstances;
- Initiate and make studies of governmental agencies;
- Adopt spheres of influence for each local governmental agency.

The following Goals will guide the Commission in implementing the purposes of LAFCO (amended April 23, 2003):

- To encourage planned, well-ordered, efficient development patterns.
- To encourage efficient and effective delivery of Governmental Services by the agencies who provide those services.
- To encourage urban land use patterns which balance urban growth with the conservation of open space and primary agricultural lands.
- To encourage the cities and the County to plan urban land use patterns, which include a harmony between housing for residents and jobs provided by commercial and industrial development.

**POLICY 4 - PRIORITIES FOR ANNEXATION AND FORMATION.**

The Commission will consider the following priorities or guidelines for annexation and formation with the provision that overriding circumstances must be stated in exceptions (Government Code Section 56001):

- A. Annexation to an existing city or district instead of formation of a new agency.
- B. Annexation to a city rather than a district if both can provide comparable services.
- C. Annexation to a multi-purpose district in preference to annexation to a single purpose district.
- D. Formation of a new political entity as the last and least desirable alternative.

**POLICY 20 – LOGICAL BOUNDARIES**

The following shall be considered as favorable factors in determining logical boundaries for a proposal (amended April 23, 2003):

- A. The Commission encourages the creation of logical boundaries and proposals which do not create islands and would eliminate existing islands, corridors, or other distortion of existing boundaries.
- B. Proposals which are orderly and will either improve or maintain the agency's logical boundary are encouraged.

**POLICY 21 – DEVELOPMENT OF VACANT OR UNDERUTILIZED LAND PRIOR TO ANNEXATION OF ADDITIONAL TERRITORY**

The following shall be considered with regards to development of vacant or underutilized land prior to annexation of additional territory:

- A. Development of existing vacant non-open space and non-prime agricultural land within an agency's boundaries is encouraged prior to further annexation and development.

Annexation proposals to cities or districts providing urban services of undeveloped or agricultural parcels shall show: that urban development is imminent for all or a substantial portion of the proposal area; that urban development will be contiguous with existing or proposed development; and that a planned, orderly, and compact urban development pattern will result. Proposals resulting in leapfrog, non-contiguous urban development patterns shall not be approved.

## County Land Use Regulations

The Stanislaus County General Plan and zoning ordinance regulate land use in the unincorporated Patterson Study Area. The County General Plan was adopted in 1994 and designates all unincorporated lands in the General Plan Study Area for agricultural uses, with one exception: unincorporated lands designated by the City's existing (1992) General Plan are designated as *Urban Transition*. A description of the land use categories and applicable County zoning follows. County zoning within the General Plan Study Area is shown on Figure I-8.

### Agriculture

The Stanislaus County General Plan *Agriculture* designation establishes agriculture as the primary use in land so designated, but allows dwelling units, limited agriculturally related commercial services, agriculturally related light industrial uses, and other uses which by their unique nature are not compatible with urban uses, provided they do not conflict with the primary use. The *Agriculture* designation is also consistent with areas the overall General Plan has identified as suitable for open space or recreational use and for ranchettes.

The *Agriculture* designation is consistent with an A-2 (General Agriculture) zoning district. PD (Planned Development) zoning may also be appropriate, provided the development does not exceed the established building intensity of this designation. Residential building intensity normally ranges from zero to two dwellings per 40 acres in the A-2-40 zone and up to one dwelling per three acres in A-2-3.

The Stanislaus County General Plan contains the following policies concerning the protection of agricultural lands:

- Policy 10. New areas for urban development (as opposed to expansion of existing areas) shall be limited to less productive agricultural areas.
- Policy 14. Uses shall not be permitted to intrude into an agricultural area if they are detrimental to continued agricultural usage of the surrounding area.
- Policy 16. Agriculture, as the primary industry of the County, shall be promoted and protected.

### Urban Transition

The purpose of the *Urban Transition* land use designation is to ensure that land remains in agricultural use until urban development consistent with a city's (or unincorporated community's) general plan designation is approved. Generally, urban development will only occur upon annexation to a city, but such development may be appropriate prior to annexation provided the development is not inconsistent with the land use designation

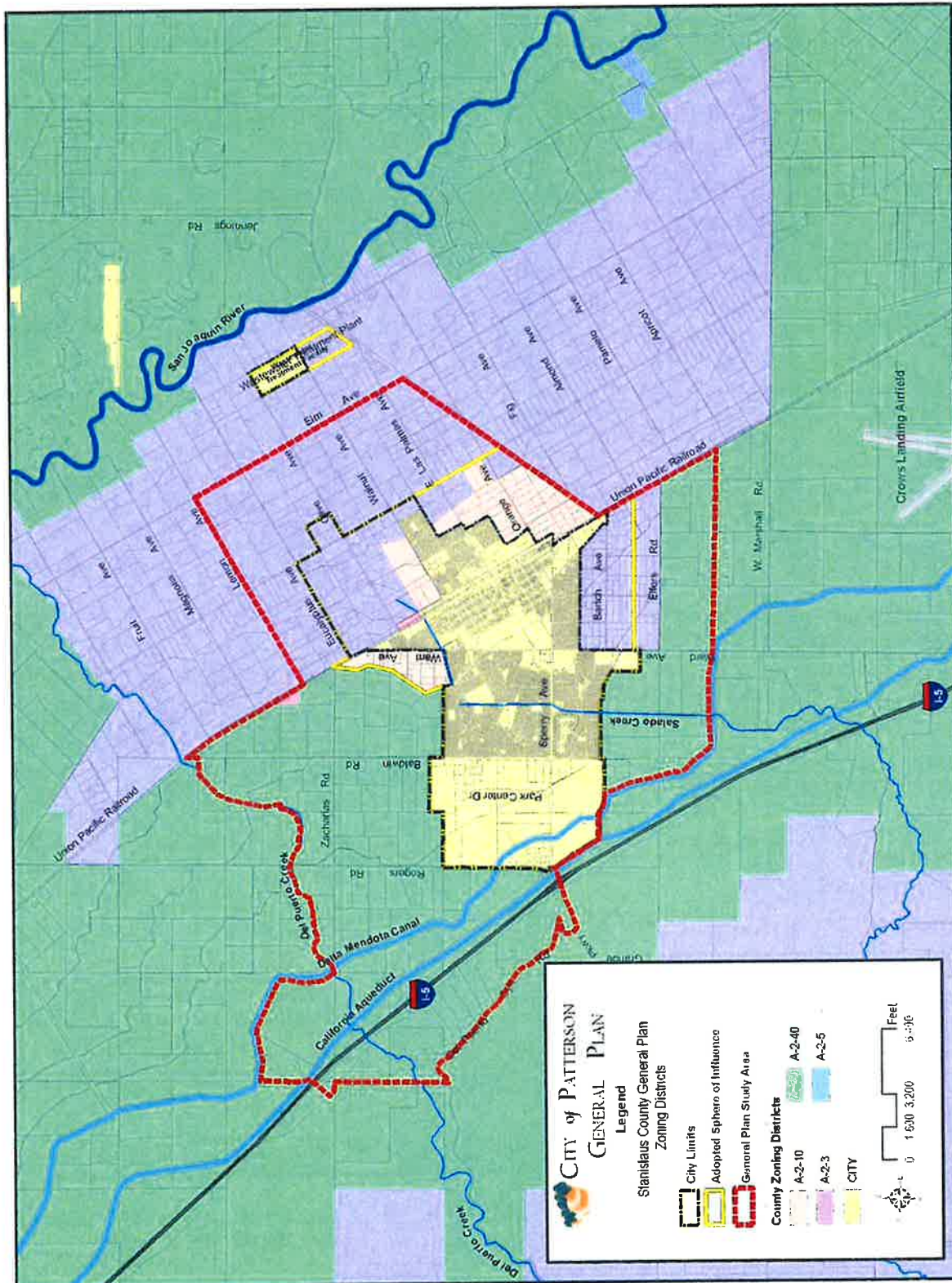
of the General Plan of the affected city. If this is to occur, a change in the General Plan designation consistent with the adopted goals and policies to some other land use designation shall be required.

Until *Urban Transition* lands within a sphere of influence are annexed, they are typically zoned General Agriculture (A-2). PD (Planned Development) zoning may also be appropriate, provided the development does not exceed the established building intensity for this designation. Building intensity and population density will be the same as under the Agriculture designation.

The Stanislaus County General Plan contains the following policy concerning development within the unincorporated portion of a city's sphere of influence. These policies do not allow development to occur if it is inconsistent with a city's adopted general plan. These policies could, however, allow the County to approve development within Patterson's sphere of influence if the proposed development is consistent with the City's General Plan.

Policy 24. Development, other than agricultural uses and churches, which requires discretionary approval and is within the sphere of influence of cities or in areas of specific designation created by agreement (e.g., Sperry Avenue and East Las Palmas Corridors), shall not be approved unless first approved by the city within whose sphere of influence it lies or by the city for which areas of specific designation were agreed. Development requests within the spheres of influence or areas of specific designation of any incorporated city shall not be approved unless the development is consistent with agreements with the cities which are in effect at the time of project consideration. Such development must meet the applicable development standards of the affected city as well as any public facilities fee collection agreement in effect at the time of project consideration. (Comment: This policy refers to those development standards that are transferable, such as street improvement standards, landscaping, or setbacks. It does not always apply to standards that require connection to a sanitary sewer system, for example, as that is not always feasible.)

Figure I-8: County Zoning Districts



### **Agricultural Element**

Stanislaus County adopted the Agricultural Element as an optional element of its General Plan in April 1992. As a primary objective, the Agricultural Element contains the following goal;

Goal Two: Preserve Our Agricultural Lands for Agricultural Uses.

To achieve this goal, the Agricultural Element contains several policies and programs for the County's continued participation in the Williamson Act program. The Agricultural Element also includes the following policies concerning "Urbanization and the Conversion of Agricultural Land":

- Policy 2.3 To reduce development pressures on agricultural lands, higher density development and in-filling shall be encouraged in urban and built-up areas of the County.
- Policy 2.4 To the greatest extent possible, development shall be directed away from the County's most productive agricultural areas.
- Policy 2.5 New areas for urban development (as opposed to expansion of existing areas) shall be limited to less productive agricultural areas.
- Policy 2.6 Agricultural lands restricted to agricultural use shall not be assessed to pay for infrastructure needed to accommodate development.
- Policy 2.7 Proposed amendments to the General Plan Diagram (map) that would allow the conversion of agricultural land to non-agricultural uses shall be approved only if they are consistent with the County's conversion criteria.
- Policy 2.8 The County recognizes the right of cities and unincorporated communities to grow and prosper and shall not oppose reasonable requests to expand spheres of influence of cities or community services districts and sanitary districts serving unincorporated communities to accommodate growth.
- Policy 2.9 In recognition that unincorporated land within spheres of influence of cities or community services districts and sanitary districts serving unincorporated communities ultimately will be urbanized, the County shall cooperate with cities and unincorporated communities in managing development in urban transition areas.
- Policy 2.10 The County shall continue to encourage the upgrading of existing unincorporated communities.
- Policy 2.11 The County shall discourage the expansion of spheres of influence of cities or community services districts and sanitary

districts serving unincorporated communities into its most productive agricultural areas.

## **Other Plans And Land Use Regulations Affecting Patterson**

### **Stanislaus County Hazardous Waste Management Plan**

Under Section 25135 of the California Health and Safety Code, each county in California is required to prepare a countywide hazardous waste management plan which includes information about waste generation, describes existing facilities in the county, assesses the need for new and expanded facilities, analyzes potential for waste reduction, and creates programs for local hazardous waste management. Stanislaus County is not a major hazardous waste generator; it generates approximately 12,100 tons per year, or 0.12 percent of the state's total annual hazardous waste generation of over 10 million tons. Another 52,000 tons per year may be added if the ash from the County's waste-to-energy plant is classified as a hazardous waste.

Hazardous Waste Management Plans must be approved by a majority of the cities within the county which contain a majority of the population in the incorporated area of the county. The State Department of Health Services must give final approval to the plan before the plan becomes effective.

### **Integrated Solid Waste Management Plan**

In September 1989, the Governor signed the Integrated Waste Management Act of 1989. This Act establishes strict mandates for local agencies to achieve a 25 percent per year reduction in solid waste disposed of by 1995 and a 50 percent reduction by 2000. The Act abolished the California Waste Management Board and created the State Integrated Waste Management and Recycling Board. The Board's duties are to review county and city source reduction and recycling elements and to make recommendations concerning state actions needed to maintain an efficient and environmentally safe solid waste management infrastructure.

Each city is required to prepare, adopt, and submit to the county a source reduction and recycling element which includes the following components:

- Waste characterization
- Source reduction
- Recycling
- Composting
- Solid waste facility capacity
- Education and public information
- Funding
- Special waste
- Household hazardous waste

Counties are required to prepare source reduction and recycling elements for unincorporated areas.

Stanislaus County and all of the cities - except Modesto - are part of the Stanislaus County Regional Solid Waste Planning Agency. The diversion law requires all communities in the state to divert at least 50 percent of their waste from landfills beginning in 2000. Stanislaus County and the eight cities had a diversion rate of 64 percent as of 2004. To achieve their high diversion rates, cities and counties have tailored new waste handling programs, from curbside recycling to material recovery facilities to composting operations.

Stanislaus County has an additional program: the waste-to-energy plant near Interstate 5 and Fink Road, where about 265,000 tons of garbage is burned each year. The garbage burner generates 18 megawatt of electricity, enough to power 18,000 homes. The power is sold to Pacific Gas & Electric Co. The Integrated Waste Management Board allows Stanislaus County and the eight cities to receive a 10 percent diversion credit for "transforming" garbage to electricity. Ten percent of the local solid waste agency's 64 percent diversion rate is the result of that credit.

#### **Airport Land Use Plan**

Under various provisions of state law, cities and counties are required to either bring their general plans and any specific plans into compliance with the adopted County Airport Land Use Commission (ALUC) plan for the territory around designated airports or to make specified findings. The purpose of the airport land use plan and the consistency requirement is to eliminate or minimize development around airports that would be subject to significant levels of aircraft noise or would pose a safety hazard to aircraft of occupants of the development in the event of a plane crash.

In 1978, the Stanislaus County ALUC adopted an Airport Land Use Commission Plan for five airports under its jurisdiction. It has since been amended in 2004. As part of the plan, the ALUC established planning area boundaries around each airport and developed land use plans within these boundaries, including recommending compatible land uses and recommending height restrictions and building standards for soundproofing within the planning boundaries. Portions of two airport planning boundaries fall within the Patterson Study Area: Patterson Airport and Crows Landing Naval Auxiliary Landing Field.

The ALUC plan divides the airport planning regions into four areas:

- 1 = airport building area;
- 2 = other airport property;
- 3 = approach and transitional surfaces; and
- 4 = other lands within the airport planning boundary.

Figures I-9 shows the ALUC planning boundaries for Patterson Airport and Crows Landing Naval Auxiliary Landing Field, respectively. Table I-4 lists the compatible, prohibited, and conditionally approvable uses for each area within the airport planning boundaries, as defined by the ALUC plan.

In August of 1983, the ALUC evaluated City and County general plan designations and zoning for consistency with the airport land use plans. The ALUC deemed the Patterson General Plan and zoning and the Stanislaus County General Plan and zoning to be compatible with the airport land use plans for Patterson Airport and Crows Landing Naval Auxiliary Landing Field. All lands under County jurisdiction surrounding Patterson Airport are subject to a height limiting ordinance. There is no adopted height limiting ordinance surrounding the Crows Landing Naval Auxiliary Landing Field.

A revised Airport Land Use Compatibility Plan for the Crows Landing Airfield has been prepared and is currently under review (March, 2010) by the Airport Land Use Commission. The revised Plan will replace the previous compatibility plan for the airport adopted as part of the countywide plan in 1978 and amended in 2004. The need for preparation of the revised plan has been driven largely by three factors.

- Closure of the former Crows Landing Naval Auxiliary Landing Field.
- County's intention of redeveloping a portion of the former Crows Landing Air Facility as a public use, general aviation (GA) airport.
- Lastly, and perhaps most significant, a 1994 state law established a requirement that ALUCs "be guided by" information in the Airport Land Use Planning Handbook published by the California Department of Transportation when formulating or amending compatibility plans.

The revised Plan sets forth safety compatibility areas as shown on Figure I-10 which are further described as follows:

- Review Area 1 consists of locations where noise and/or safety concerns may necessitate limitations on the types of land uses. Specifically, Review Area 1 contains both the 55 dB CNEL noise contours and all of the safety zones depicted on the associated maps in this chapter. Within the Review Area 1, all types of land use actions are to be submitted to the ALUC for review to the extent review is required by law.
- Review Area 2 consists of locations beyond Review Area 1 but within the airspace protection and/or overflight areas depicted on the associated maps in this chapter. Limits on the heights of structures are the only restrictions on land uses within Review Area 2. The additional function of this area is to define where various mechanisms to alert prospective property owners about the nearby airport are appropriate. Within Review Area 2, only land use actions for which the height of objects is an issue is subject to ALUC review.

The draft ALUP establishes safety zones around the Airfield with corresponding restrictions (Figure I-10). In addition, Figure I-10 shows areas where an aviation easement or aircraft overflight easement would be required of new development. An aviation easement is an agreement that grants the right to fly airplanes over property, even if the practice causes damage, inconvenience, or loss of property value. Such an agreement usually restricts the property owner from building or growing anything over a specified height. An overflight easement confirms that aircraft overflights are expressly permitted by the United States Code. 49 USC § 40103 states: "(a) Sovereignty and Public Right of Transit. - (1) The United States.

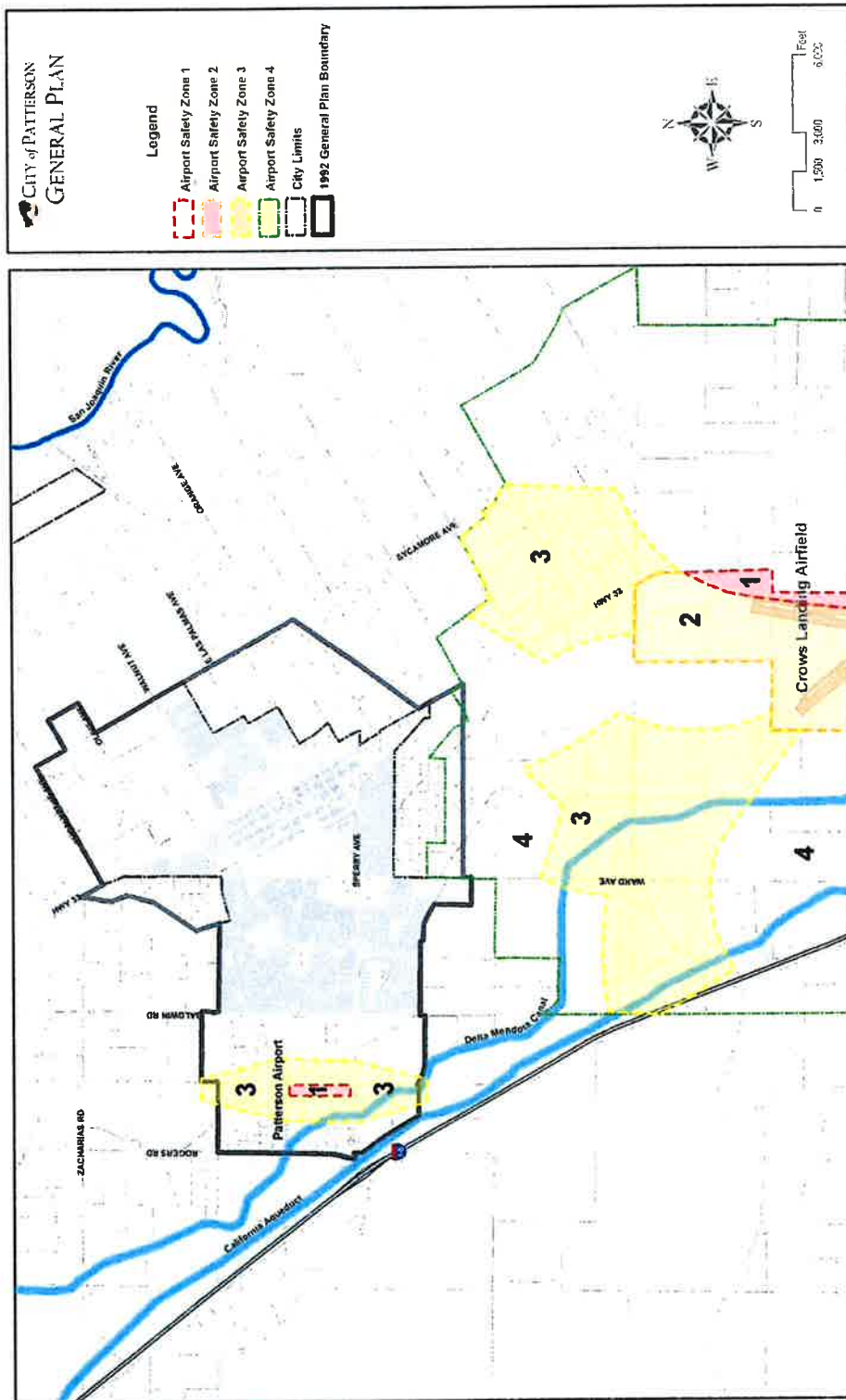
**Table I-4: Land Use Compatibility Matrix for the Patterson Airport and  
Crow's Landing Airfield**

| Uses   | Airport Building Area | Other Airport Property | Approach and Transitional Surfaces | Other Lands Within Airport Planning Boundary |
|--|-----------------------|------------------------|------------------------------------|--|
|  | 1                     | 2                      | 3                                  | 4  |
| <b>Agricultural Uses</b>   |                       |                        |                                    |  |
| Truck and specialty crops  | O                     | O                      | O                                  | O  |
| Field crops  | O                     | O                      | O                                  | O  |
| Pasture and rangeland  | O                     | O                      | O                                  | O  |
| Orchard and vineyards  | X                     | X                      | O                                  | O  |
| Dry farm and grain   | O                     | O                      | O                                  | O  |
| Tree farms, landscape nurseries, and greenhouses                                       | O                     | O                      | C                                  | O  |
| Fish farms   | X                     | X                      | O                                  | O  |
| Feed lots and stockyards   | X                     | X                      | O                                  | O  |
| Poultry farms  | X                     | X                      | C                                  | O  |
| Dairy farms  | X                     | X                      | C                                  | O  |
| <b>Natural Uses</b>  |                       |                        |                                    |  |
| Fish and game preserves  | X                     | X                      | O                                  | O  |
| Land reserves and open space   | O                     | O                      | O                                  | O  |
| Flood and geological hazard areas  | O                     | O                      | O                                  | O  |
| Waterways: rivers, creeks, canals, swamps, bays lakes                                  | O                     | O                      | O                                  | O  |
| <b>Residential and Institutional Uses</b>  |                       |                        |                                    |  |
| Rural residential - 10 acres or more   | X                     | X                      | C                                  | O  |
| Suburban residential - 20,000 sq.ft. to 10 acres                                       | X                     | X                      | X                                  | O  |
| Urban single family - lot sizes under 20,000 sq.ft.                                    | X                     | X                      | X                                  | O  |
| Multi-family   | X                     | X                      | X                                  | O  |
| Mobile home parks  | X                     | X                      | X                                  | O  |
| Schools, colleges, universities  | X                     | X                      | X                                  | C  |
| Hospitals  | C                     | C                      | X                                  | O  |
| Churches   | X                     | X                      | X                                  | O  |
| <b>Recreational</b>  |                       |                        |                                    |  |
| Golf course  | O                     | O                      | O                                  | O  |
| Parks  | O                     | O                      | O                                  | O  |
| Playgrounds and picnic areas   | O                     | O                      | O                                  | O  |
| Athletic fields  | X                     | X                      | X                                  | O  |
| Riding stables and trails  | X                     | X                      | O                                  | O  |
| Marinas  | O                     | O                      | O                                  | O  |
| Tennis courts  | O                     | O                      | O                                  | O  |
| Outdoor Theaters   | X                     | X                      | X                                  | O  |
| Swimming Pools   | O                     | O                      | O                                  | O  |
| Fairgrounds and Race Tracks  | X                     | X                      | X                                  | O  |
| O = Compatible    X = Prohibited    C = Conditionally Approvable                       |                       |                        |                                    |  |
| Source: Airport Land Use Commission Plan, Stanislaus Airport Land Use Commission, 1978 |                       |                        |                                    |  |

**Table I-4: Land Use Compatibility Matrix for the Patterson Airport  
And Crooks Landing Airfield (cont'd)**

| Uses   | Airport Building Area | Other Airport Property | Approach and Transitional Surfaces | Other Lands Within Airport Planning Boundary |
|--|-----------------------|------------------------|------------------------------------|--|
|  | 1                     | 2                      | 3                                  | 4  |
| <b>Commercial Uses</b>   |                       |                        |                                    |  |
| Aircraft sales and repairs   | O                     | O                      | O                                  | O  |
| Flying schools   | C                     | C                      | C                                  | O  |
| Hotels and motels  | C                     | C                      | X                                  | O  |
| Shopping centers   | C                     | C                      | X                                  | O  |
| Banks  | C                     | C                      | X                                  | O  |
| Gas stations   | C                     | C                      | X                                  | O  |
| Auto storage and parking   | O                     | O                      | O                                  | O  |
| Office buildings   | C                     | C                      | C                                  | O  |
| Theaters and auditoriums   | X                     | X                      | X                                  | O  |
| Public Buildings   | C                     | C                      | C                                  | O  |
| Taxi, bus and terminals  | O                     | O                      | X                                  | O  |
| Memorial parks   | X                     | X                      | X                                  | O  |
| Pet cemeteries   | X                     | X                      | X                                  | O  |
| Restaurants and food take-outs   | C                     | C                      | C                                  | O  |
| Retail stores  | C                     | C                      | C                                  | O  |
| Truck terminals  | O                     | O                      | O                                  | O  |
| Other service users  | C                     | C                      | C                                  | O  |
| <b>Industrial Uses</b>   |                       |                        |                                    |  |
| Research laboratories  | C                     | C                      | C                                  | O  |
| Warehouses   | O                     | O                      | O                                  | O  |
| Aircraft factories   | O                     | O                      | C                                  | O  |
| Air freight terminals  | O                     | O                      | O                                  | O  |
| Non-air related manufacturing  | C                     | C                      | C                                  | O  |
| Rail sidings   | O                     | O                      | O                                  | O  |
| Other transportation parks   | O                     | O                      | O                                  | O  |
| Petroleum and chemical products bulk storage   | C                     | C                      | C                                  | O  |
| <b>Utilities</b>   |                       |                        |                                    |  |
| Reservoirs   | C                     | C                      | O                                  | O  |
| Water treatment  | C                     | C                      | O                                  | O  |
| Sewage disposal  | C                     | C                      | O                                  | O  |
| Petroleum and chemical products bulk storage   | C                     | C                      | C                                  | O  |
| Electrical plants  | C                     | C                      | C                                  | O  |
| Power lines  | C                     | C                      | C                                  | O  |
| O = Compatible    X = Prohibited    C = Conditionally Approvable                       |                       |                        |                                    |  |
| Source: Airport Land Use Commission Plan, Stanislaus Airport Land Use Commission, 1978 |                       |                        |                                    |  |

Figure I-9: Airport Land Use Plans for Patterson Airport and Crows Landing Airfield





## Other Regulatory Agencies

Several governmental agencies exercise some level of regulatory control over land use decisions in Patterson. The following paragraphs discuss those agencies which have some son of permitting authority.

The **San Joaquin Unified Air Pollution Control District (APCD)** is responsible for granting two types of permits which pertain to land use. The first, the Authority to Construct, is required for any proposal to construct, modify, or operate a facility or equipment that will emit pollutants from a stationary source in the atmosphere. The second, the Permit to Operate, must be obtained from the APCD to ensure compliance with requirements implemented with the Authority to Construct. The Permit to Construct includes a renewal requirement which creates an ongoing monitoring program.

The mission of the **California State Reclamation Board** is to control flooding along the Sacramento and San Joaquin Rivers and their tributaries in cooperation with the U.S. Army Corps of Engineers. The Board maintains jurisdiction over all federal flood control projects and levees which are either part of such projects or which may affect such projects. The Reclamation Board grants permits for activities that are:

- within federal flood control project levees and within a Board easement, or
- may have an effect on the flood control functions of project levees, or
- is within a Board designated floodway, or
- is within regulated Central Valley streams listed in Table 8.1 in Title 23 of the California Code of Regulations

Generally a permit is required for any project that proposes to work in a regulated stream, designated floodway on federal flood control project levee slopes or within 10 feet of the levee toe. Such activities might include but are not limited to: boat docks, ramps, bridges, sand and gravel mining, placement of fill, fences, landscaping and irrigation facilities.

The **California Department of Fish and Game** has jurisdiction over all "waters of the state" including any lakes, streams, or rivers containing fish or wildlife resources. The Department of Fish and Game has authority over two permitting processes. Streambed Alteration Agreements are required for projects which alter the flow of any lake, stream or river in the state. Suction Dredging Permits are required for projects involving suction or vacuum dredging activities in state waterways.

The **Central Valley Regional Water Quality Control Board (RWQCB)** maintains jurisdiction over discharges into all rivers, creeks, streams, and canals in the area, and regulates discharges to groundwater. Any project that will discharge wastes into any surface waters must obtain waste discharge requirements from the RWQCB. These requirements serve as the Federal National Pollutant Discharge Elimination System (NPDES) Permit.

The **California Department of Transportation (Caltrans)** has authority over all State highway and freeway rights-of-way, including easements, and undeveloped rights-of-way which have been acquired in anticipation of future construction. Any project which proposes to construct a road connection or perform earthwork within a State highway or freeway must obtain an Encroachment Permit from Caltrans.

The **United State Army Corps of Engineers**, pursuant to the Rivers and Harbors Act, maintains jurisdiction over all navigable waterways (including non-navigable streams, creeks, marshes, and diked lands) and requires a permit for any work within these waterways.

### **Reviewing Agencies**

In addition to those regulatory agencies with direct permitting authority, several local, state, and federal agencies are involved with the permit and environmental process. These agencies, while not issuing permits, have particular areas of expertise or maintain certain review authority and may comment on various aspects of project development.

The **California Department of Water Resources (DWR)** reviews projects and provides comments in relation to State Water Project facilities such as the Delta Cross Channel and the California Aqueduct. The DWR also coordinates CEQA and NEPA comments for many departments within the State Resources Agency.

The **California Department of Parks and Recreation** reviews development projects in relation to State recreation facilities. The Department has also prepared recreation plans covering a large area which would be used in the review of projects, while the State Office of Historic Preservation, within Parks and Recreation, is the designated State Historic Preservation Office (SHPO) and monitors State and federal registered historical resources as well as other statutory responsibilities.

The **State of California Native American Heritage Commission** reviews projects and comments on potential impacts to Native American archeological resources. Recent changes to State law now require consultation with Native American tribes for projects involving a General Plan amendment.

The **California Department of Fish and Game**, as a trustee agency, reviews projects and comments on potential impacts to fish and wildlife resources in general, and identifies potential impacts to endangered or threatened plant or animal species in accordance with the California Endangered Species Act. The Department is required to issue a written finding indicating whether a proposed project would "jeopardize" the continued existence of any endangered or threatened species, or result in the destruction or adverse modification of habitat essential to the continued existence of the species. If the Department makes this "jeopardy" finding, it is then required to develop

"reasonable and prudent alternatives" to conserve the endangered or threatened species.

The **California State Clearinghouse**, within the Office of Permit Assistance is the point of contact for review of environmental documents where one or more State agencies will be a responsible or trustee agency. The Clearinghouse circulates environmental documents among State agencies, coordinates review, and forwards comments to the lead agency.

The **United States Bureau of Reclamation** maintains authority over federal water project facilities, including the Federal Flood Control Project Levees and reviews development projects for potential effects to these facilities.

The **United States Environmental Protection Agency (EPA)** has review authority over environmental documents that are prepared and circulated pursuant to the National Environmental Protection Act (NEPA). The EPA can comment on the draft EISs, and NEPA procedures require the filing of final EISs with the EPA. The EPA has authority over development projects pursuant to Section 404 of the Clean Water Act which overlaps the Army Corps of Engineers authority.

Generally, the EPA reviews Department of Army Permits for compliance with guidelines for implementing Section 404 requirements. The EPA can, in rare cases, override an Army Corps of Engineers decision on a Department of Army permit in order to prohibit discharges into waterways.

The **United States Fish and Wildlife Service** must be consulted on all federal projects, such as the Army of Corps of Engineers-Department of Army Permit, pursuant to the Fish and Wildlife Coordination Act. The Service comments on potential project effects on "endangered or threatened" plant and animal species under the Federal Endangered Species Act. In reviewing a project, the Fish and Wildlife Service could issue a "jeopardy" determination and would propose reasonable alternatives to the permitting agency similar to the State Department of Fish and Game process. The Fish and Wildlife Service also comments generally on potential effects on fish and wildlife resources.

The **National Marine Fisheries Service** is also consulted on all Department of Army Permits as part of the Fish and Wildlife Coordination Act. The National Marine Fisheries Service reviews development projects in relation to overall effects on anadromous fish such as salmon, striped bass, and steelhead. The Service also considers any endangered or threatened anadromous fish which may exist in the area.

## **Major Regional Developments**

### **Diablo Grande**

Diablo Grande is planned in the foothills southwest of Patterson, several miles west of Interstate 5 on Oak Flat Road. The project encompasses

approximately 16,800 acres, although much of the area would remain undeveloped. Plans for the community include five golf courses, upscale condominiums, and 10-acre home sites. Other amenities include equestrian trails as well as hotel and restaurant accommodations for tourists and corporate executives attending retreat-like conferences.

The Diablo Grande Specific Plan was originally submitted to Stanislaus County in December of 1990. The Specific Plan was subsequently amended many times in response to environmental issues as they arose. Ultimately, the Specific Plan was adopted by the Board of Supervisors on October 26, 1993. Since the Diablo Grande project was approved in October of 1993, both Phase I golf courses and the clubhouse have been constructed. In addition, a large portion of the project entry road has been constructed along with the pump stations and water lines to serve the Diablo Grande project.

Following approval of the Specific Plan, a lawsuit was filed challenging the adequacy of the final EIR. The courts ultimately decided that the EIR was sufficient in all respects with the exception of the discussion of long-term water sources. The developer then prepared a Water Resources Plan which sets forth eight (8) possible sources of water for the Diablo Grande project. A Supplemental EIR was prepared based on this Water Resources Plan. The Diablo Grande Specific Plan, original EIR and Supplemental EIR were all readopted in 2006 to comply with the findings of the District Court and the Order of the Superior Court, and to update the Plan to current (2006) conditions.

Certain changes were incorporated into the revised plan adopted in 2006. The main changes to the Specific Plan from the 1993 adopted Plan are:

- Lakeborough has been omitted from all of the discussions;
- The water discussion has been revised so that it is consistent with the Supplemental EIR;
- The onsite road standards have been revised consistent with discussions with the County Department of Public Works;
- Numerous revisions have been made to clarify timeframes, dates and improvements consistent with the current setting in 1998; and
- Methods of implementing the Specific Plan have been revised to make them more understandable and clear.

The revised Plan would accommodate as many as 5,000 dwelling units in addition to two golf courses, a shopping center, resort center, vineyards, and open space areas.

As of October, 2008, the Diablo Grande development has suffered bankruptcy, contaminated water from its supplier, and has changed hands to a new owner.

### **Crows Landing Naval Airfield**

The Crows Landing Air Facility is the former auxiliary landing field to Moffett Naval Air Field.

The Air Facility occupies a total area of approximately 1,524 acres with improvements that include two runways (approximately 7,000 and 8,000 feet long), a mix of buildings that have been used for a variety of activities. Approximately 1,352 acres was conveyed to the County in October 2004. Approximately 1,112 acres of property will continue to be farmed under a three-year agricultural lease approved by the Board of Supervisors in October 2005. The remaining area will be evaluated and/or remediated by the Navy for soil and groundwater contamination but will be transferred to the County once remediation efforts meet State and federal requirements for transfer.

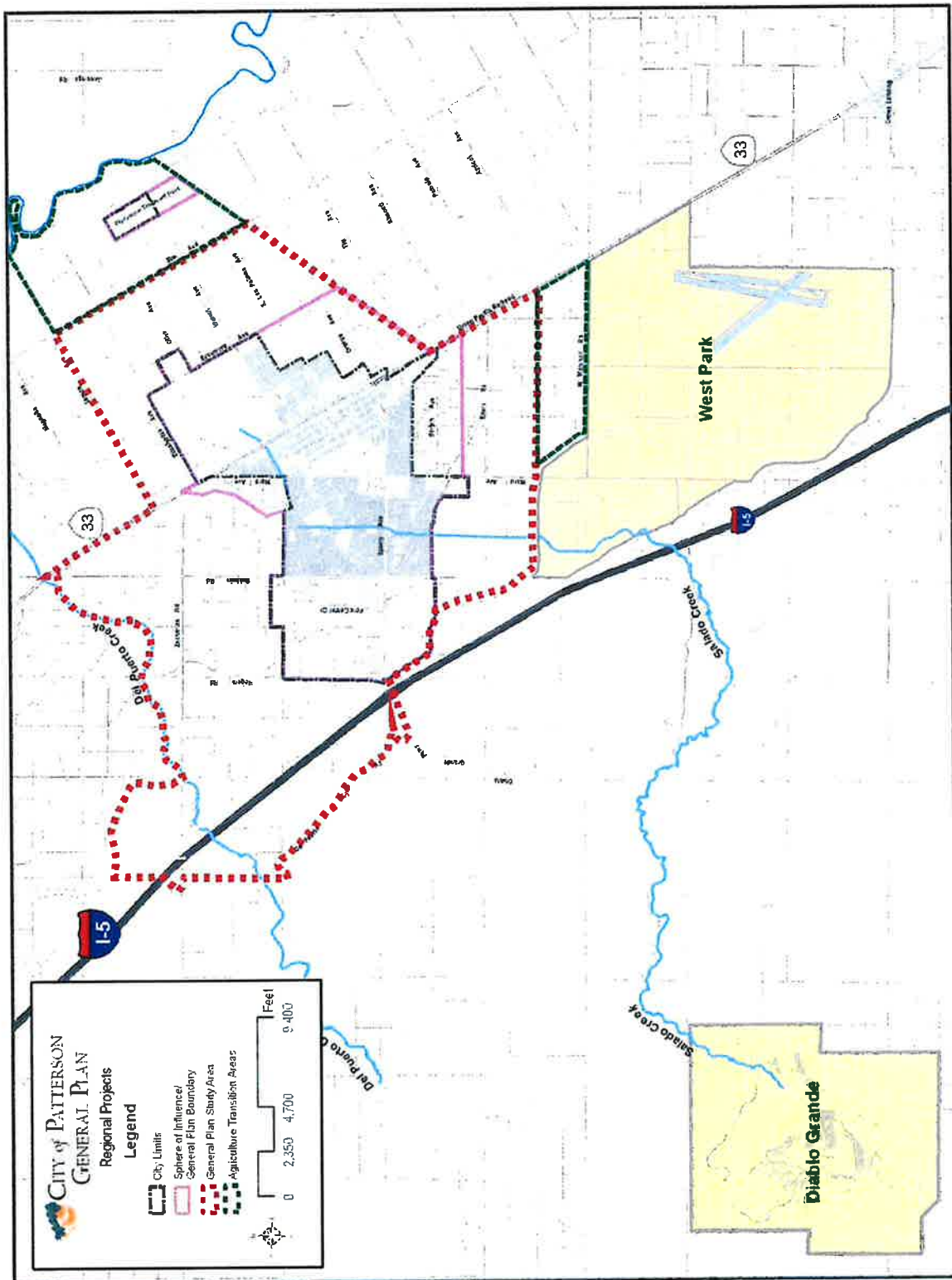
A preliminary redevelopment plan has been prepared by County Planning/Redevelopment staff by direction of the County Board of Supervisors (Redevelopment Agency). In addition, an RFP was published and closed in late January, 2006 soliciting for general plan amendment, master development planning, airport master planning, an environmental impact report (including financing plans and phasing plans).

The Sacramento based development team of Pacific Coast Capital Partners - PCCP West Park has been identified as the exclusive negotiation development team as the process enters the specifics of phase II.

A General Plan Amendment was initiated in March 2006 along with master development and airport layout planning process steps. The ultimate goal being to re-designate the former air facility (County-owned property) from its current designation of Agriculture to a new designation that would be developed specifically for industrial, light industrial, business park and air facility uses.

A master development plan and agreement was reached (Board approved) in April, 2008, allowing the environmental analysis to proceed. A Notice of Preparation (NOP) of a draft EIR was issued on June 18, 2008. The environmental analysis is proceeding forward as of November, 2008.

Figure I-11: Regional Developments



## Other West Side Communities

In the spring of 2006, Merced County began a three-year process to update its General Plan. The Background Report has been prepared and community workshops were conducted from August, 2006 through November, 2008. As of November, 2008, in addition to completion of the Background Report, primary issues have been identified and visioning formulated and an Alternatives Report is currently being prepared. The County intends to complete the update and subsequent environmental review by September, 2009. The unincorporated community of Santa Nella, about 30 miles south of Patterson, will be governed by the updated Plan. According to the Santa Nella Community Specific Plan, the community of Santa Nella could support as many as 8,245 dwelling units at buildout.

Faced with similar growth pressures as Patterson, the City of Newman prepared a comprehensive update of its General Plan in 2006. Newman's Draft General Plan proposes a total population of about 45,000 by 2030, with an additional 13,400 dwelling units (the City's 2008 population was about 10,586).

Significant residential development has been proposed in the unincorporated Stanislaus County community of Grayson. In addition to the two new town proposals in its vicinity (Mountain House and Grupe/Sassco), the City of Tracy in San Joaquin County has also experienced major development interest. However, in February, 2008, Measure E was passed by Stanislaus County voters which significantly restrict the potential for growth in unincorporated areas. The measure requires a countywide vote for decisions that would convert agricultural land to residential uses in the next thirty (30) years. Other growth measures were also passed in San Joaquin County.

## Findings

- The 1992 General Plan has been the official development guide for the City of Patterson for fifteen years. Minor changes to the Plan were made in 2004, but the Plan is nearing buildout.
- A comparison of the City's zoning map with the 1992 General Plan map reveals that there are no notable inconsistencies between them.
- About 47 percent of the land designated for urban development by the 1992 general Plan is designated for residential uses, 27 percent is designated for industrial uses, and 7 percent for commercial. About 12 percent is vacant and about 41 percent remains in agricultural production.
- The City's existing sphere of influence was last amended in 2007 with The Villages of Patterson project and coincides with the 1992 General Plan area.
- The Stanislaus County General Plan provides for agricultural use throughout most of the unincorporated General Plan Study Area. The County's Urban Transition designation provides for compatibility and consistency between the City and County General Plans, but also permits the County to approve development within Patterson's sphere of influence without annexation to the city, as long as it is consistent with the General Plan.
- Almost all of the unincorporated Study Area is designated Agriculture by the County General Plan.
- The Study Area includes lands within the boundaries of two airport land use planning areas: Patterson Airport and Crows Landing Naval Auxiliary Landing Field. Future development in these regions may be restricted by noise and height limitations.
- A number of other agencies have regulatory authority or responsibility to review actions in the Study Area.
- The I-5 corridor between I-5/580 and S.R. 152, generally the western San Joaquin Valley from Tracy to Los Banos has been the focus of substantial development interest during the last ten or more years. Several major developments within existing West Side cities and unincorporated communities have been proposed.

## Persons Consulted

Ron Fietas, Planning Director, Stanislaus County  
Kirk Ford, Deputy Planning Director, Stanislaus County

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# II. HOUSING

## Introduction

This chapter provides an assessment of Patterson's existing and projected housing needs, resources available to meet those needs, and governmental and non-governmental constraints on the production of affordable housing. This analysis was derived in large part from the General Plan Housing Element which was adopted by the City and certified by the State Department of Housing and Community Development in 2004.

## Housing Stock Profile

### Housing Stock Growth and Composition

Before 1980, Patterson's housing stock was composed principally of single-family homes. Table II-1 shows how this became increasingly so throughout the 1980s and 1990s, as single-family units came to represent more than three-quarters (84 percent) of the city's total units in 2000. The percentage of single family dwellings in Patterson in 2000 is higher than Stanislaus County's 78.6 percent and significantly higher than the statewide total of 64.8 percent.

| Unit Type     | 1980   |         | 1990   |         | 2000   |         |
|---------------|--------|---------|--------|---------|--------|---------|
|               | Number | Percent | Number | Percent | Number | Percent |
| Single family | 952    | 70.5    | 2,251  | 83.3    | 3,168  | 84.1    |
| 2-5 Units     | 131    | 9.7     | 138    | 5.1     | 98     | 2.6     |
| 5+ units      | 192    | 14.2    | 116    | 4.3     | 394    | 10.5    |
| Mobile Homes  | 76     | 5.6     | 198    | 7.3     | 106    | 2.8     |
| Total:        | 1,351  | 100.0   | 2,703  | 100.0   | 3,766  | 100.00  |

Source: 1980, 1990 and 2000 US Census

| Table II-2: Housing Stock Composition,<br>City of Patterson, Stanislaus County and State of California, 2000 |                   |                   |                     |
|--|-------------------|-------------------|---------------------|
| Unit Type  | City of Patterson | Stanislaus County | State of California |
|  | Percent           | Percent           | Percent             |
| Single family  | 84.1              | 78.6              | 64.8                |
| 2-5 Units  | 2.6               | 6.2               | 8.2                 |
| 5+ units   | 10.5              | 9.4               | 22.6                |
| Mobile Homes   | 2.8               | 5.5               | 4.1                 |
| Total:   | 100.00            | 100.00            | 100.00              |

Source: 2000 US Census

Table II-3 compares Patterson's population and housing stock growth between 1990 and 2007. As the table indicates, total growth in the number of housing units in Patterson has roughly paralleled population growth over the 17-year period, although housing has lagged slightly behind population growth. Table II-3 shows that Patterson's overall housing stock has grown at a relatively low rate until 1999 when an upward trend began with the first dwellings constructed in the Heartland Ranch project. Since 2000, the City's average annual growth rate has been about 8 percent, peaking in 2006 at about 16 percent. County growth rates were comparatively low during the same period (i.e. 2.1 percent between 2000 and 2007). Patterson's dramatic housing stock growth is attributable largely to residential demand created by commuters from Bay Area employment centers.

| Table II-3 – Population and Dwelling Unit Growth,<br>City of Patterson and Stanislaus County |                   |               |               |               |                   |               |               |               |
|--|-------------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|
| Year   | City of Patterson |               |               |               | Stanislaus County |               |               |               |
|  | Population        | Annual Growth | Housing Units | Annual Growth | Population        | Annual Growth | Housing Units | Annual Growth |
| 1990   | 8,626             | --            | 2,703         |               | 370,522           |               | 132,027       |               |
| 1991   | 8,975             | 3.9           | 2,772         | 2.5           | 380,900           | 2.7           | 136,465       | 3.3           |
| 1992   | 9,300             | 3.5           | 2,813         | 1.5           | 392,700           | 3.0           | 138,837       | 1.7           |
| 1993   | 9,400             | 1.1           | 2,813         | 0.0           | 401,600           | 2.2           | 140,965       | 1.5           |
| 1994   | 9,650             | 2.6           | 2,844         | 1.1           | 408,300           | 1.6           | 142,762       | 1.3           |
| 1995   | 9,750             | 1.0           | 2,880         | 1.3           | 413,000           | 1.1           | 144,477       | 1.2           |
| 1996   | 9,925             | 1.8           | 2,918         | 1.3           | 417,500           | 1.1           | 145,824       | 0.9           |
| 1997   | 10,150            | 2.2           | 2,965         | 1.6           | 423,200           | 1.3           | 147,088       | 0.9           |
| 1998   | 10,300            | 1.5           | 2,975         | 0.3           | 429,100           | 1.4           | 148,694       | 1.1           |
| 1999   | 10,850            | 5.1           | 3,109         | 4.3           | 436,100           | 1.6           | 149,966       | 0.8           |
| 2000   | 11,606            | 6.5           | 3,262         | 4.7           | 446,997           | 2.4           | 150,807       | 0.6           |
| 2001   | 12,225            | 5.1           | 3,404         | 4.2           | 458,612           | 2.5           | 153,262       | 1.6           |
| 2002   | 13,092            | 6.6           | 3,622         | 6.0           | 472,654           | 3.0           | 156,824       | 2.3           |
| 2003   | 13,730            | 4.6           | 3,777         | 4.1           | 484,496           | 2.4           | 159,724       | 1.8           |
| 2004   | 14,257            | 3.7           | 3,918         | 3.6           | 494,747           | 2.1           | 162,925       | 2.0           |
| 2005   | 16,187            | 11.9          | 4,484         | 12.6          | 504,478           | 1.9           | 167,048       | 2.5           |
| 2006   | 19,262            | 16.0          | 5,412         | 17.1          | 513,441           | 1.7           | 171,719       | 2.7           |
| 2007   | 20,875            | 7.7           | 5,932         | 8.8           | 521,497           | 1.5           | 175,040       | 1.9           |
| 2008   | 21,090            | 7.8           | 6,001         | 1.2           | 522,313           | 1.2           | 176,624       | 0.9           |
| 2009   | 21,229            | 4.0           | 6,007         | 0.01          | 526,383           | 0.8           | 177,545       | 0.52          |
| 1990-2009  | 12,249            | 5.0%          | 3,229         | 4.4%          | 150,975           | 2.0%          | 43,013        | 1.6%          |

Source: California Department of Finance, and CMCA

## Housing Tenure

Tenure refers to the distinction between owner and renter households or housing units. Table II-4 shows how Patterson's housing units were distributed between rental and ownership units in 1990, 2000 and 2003. It should be noted that the numbers in the table reflect only occupied units.

| Table II-4: Housing Tenure<br>City of Patterson and Stanislaus County<br>1990, 2000 and 2003 |                   |         |         |         |                   |         |         |         |
|--|-------------------|---------|---------|---------|-------------------|---------|---------|---------|
| Year   | City of Patterson |         |         |         | Stanislaus County |         |         |         |
|  | Owners            |         | Renters |         | Owners            |         | Renters |         |
|  | Number            | Percent | Number  | Percent | Number            | Percent | Number  | Percent |
| 1990   | 1,756             | 68.4    | 810     | 31.6    | 76,103            | 60.7    | 49,272  | 39.3    |
| 2000   | 2,145             | 69.3    | 951     | 30.7    | 89,912            | 61.9    | 55,341  | 38.1    |
| 2003   | 2,522             | 65.6    | 1,323   | 34.4    | 92,327            | 62.1    | 56,347  | 37.9    |

Source: 1990, 2000 US Census, Datum Populus

As Table II-4 indicates, Patterson has historically had a higher percentage of owners than Stanislaus County, which remained true in 2003.

### Vacancy Rates

The vacancy rate can be used as both an indicator of unused housing stock and as a measure of consumer opportunity for mobility and choice in living accommodations. The gross vacancy rate is a measure of vacant units as a percentage of the total housing stock. The California Department of Finance (DOF) annually estimates gross vacancy rates for all cities and counties in the state. Table II-5 summarizes occupancy status for Patterson in 2000.

As a rule of thumb, an overall vacancy rate of 4.5 percent to 5.0 percent indicates a market reasonably well balanced between supply and demand. High demand and short supply may result in continued use of units which are overcrowded, unsafe, unsanitary, or otherwise unsuitable for residential use. It also results in high prices and rents which most severely affect lower income households, people on fixed incomes, families with children, and other special-need groups. Overcrowding and discrimination are also more likely to occur when the rental vacancy rate is low.

Table II-5 shows the characteristics of the City's vacant housing units as reported by the 2000 Census. According to the Census the City experienced a vacancy rate of 3.8 percent in 2000. The relatively low vacancy rate for Patterson means that housing choice is limited and that demand exceeds the available supply. This is especially true for rental units, since the City has produced few of these products.

| Occupancy                                   | Total |
|---|-------|
| Occupied                                    | 3,108 |
| Vacant                                      | 125   |
| For Rent                                    | 125   |
| For Sale                                    | 40    |
| Rented/Sold Not Occupied                    | 9     |
| For Seasonal/Recreational or Occasional Use | 4     |
| For Migrant Workers                         | 0     |
| Other Vacant                                | 34    |

Source: 2000 US Census

On January 14, 2003 Laurin Associates (the consultants who authored the 2004 Housing Element), conducted a survey of existing rental properties within Patterson. A total of 394 multifamily units were surveyed for rent levels and vacancies. This survey found that there were a total of 14 vacancies in the City of Patterson for an overall vacancy rate of 3.4 percent. In the subsidized apartments surveyed there were waiting lists. According to the California Association of Realtors, there were a total of 44 single-family listings in the City of Patterson on January 14, 2003. The estimated vacancy rate for single-family dwellings is 2.8 percent based on a total of 3,168 single-family units.

### Household Size and Overcrowding

An overcrowded housing unit is defined as one in which more than one person per room (excluding bathrooms and kitchens) reside. According to the 2000 Census, 14 percent of Patterson's owner occupied housing units were overcrowded. This was significantly higher than either the countywide rate of 5.6 percent or the statewide rate of 8.5 percent. By tenure, it is obvious that overcrowding is a bigger problem among renters in Patterson. While only 14 percent of the owner-occupied units were overcrowded, 36 percent of the renter-occupied units were overcrowded.

### Population per Household

The Census provides estimates of population per household. Table II-6 shows Census data for the years 1980, 1990, 2000 and 2003. As Table II-6 indicates, Patterson's household size has remained consistently higher than the county's.

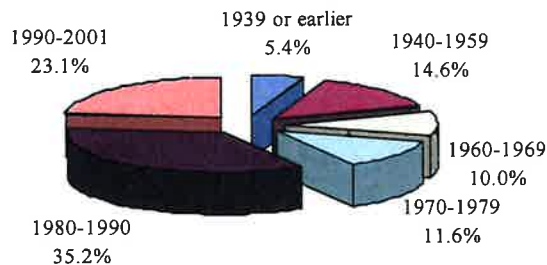
| Table II-5: Persons Per Household<br>Patterson and Stanislaus County<br>1980, 1990, 2000 and 2008 |                      |                   |
|---|----------------------|-------------------|
| Year  | City of<br>Patterson | Stanislaus County |
| 1980  | 3.0                  | 2.6               |
| 1990  | 3.3                  | 2.9               |
| 2000  | 3.6                  | 3.1               |
| 2008  | 3.6                  | 3.0               |

Source: 1980, 1990 and 2000 Census, Census Bureau,  
2008 California Department of Finance Estimates

### Housing Condition and Age

In large part, housing conditions are a function of the age of the units. Despite the generally good visual appearance of Patterson's housing, it is likely that a significant number of units are in need of at least some minor rehabilitation, if only because of the age of the units. In 1980, 797 (59.0 percent) of the city's housing units had been constructed before 1960. By comparison, the respective county and statewide percentages were 43.5 and 48.9. The difference in the percentage of units constructed before 1940 was even more pronounced. In 1980, 26.0 percent of the units in Patterson had been built before 1940, while only 13.2 percent countywide and 14.7 percent statewide were that old.

Approximately 23.1 percent of the total Patterson housing stock (occupied and vacant units) was built from 1990 to 2001. Another 35.2 percent of the housing stock was built between 1980 and 1990, which results in a median housing age of 1980.



Source: 2000 Census

Indications of substandard housing, without physical inspection, generally include such factors as overcrowding, units lacking complete plumbing, and units constructed before 1940 without diligent maintenance. In the City of Patterson, the percentage of overcrowded units reported by the 2000 Census is 20.6 percent. Also, 5.6 percent of the housing was built before 1940 and 0.5 percent of the units lacked complete plumbing facilities. In Stanislaus County, 13.9 percent of the housing units were overcrowded, while 6.5 percent were built before 1940.

| Table II-7: Indicators Of Substandard Housing, 2000 |        |         |
|---|--------|---------|
| Indicators  | Number | Percent |
| <b>City Of Patterson</b>                            |        |         |
| Overcrowded   | 641    | 20.6%   |
| Lacking Complete Plumbing Facilities                | 17     | 0.5%    |
| Built 1939 or Earlier                               | 176    | 5.6%    |
| <b>Stanislaus County</b>                            |        |         |
| Overcrowded   | 20,120 | 13.9%   |
| Lacking Complete Plumbing Facilities                | 827    | 0.6%    |
| Built 1939 or Earlier                               | 9,368  | 6.5%    |

Source: 2000 Census

## Housing Costs

The cost of housing has become an increasingly critical issue in California. Since the late 1970s, the statewide housing market has experienced dramatic price increases. Many housing markets in California (particularly in the Bay Area and Southern California) have seen rapid inflation of housing costs because of increasingly limited supplies of land suitable (or available) for residential development. Because of the vast amount of undeveloped land available in the Central Valley, housing remained relatively inexpensive in Valley communities compared to the larger urban areas until the late 1990s when the difference in cost between the Valley and Bay Area began to narrow.

The increased demand for housing and higher incomes of Bay Area wage-earners have led to rising housing prices in Patterson. Local wages in Patterson and throughout Stanislaus County have not increased at the same rate as housing prices, thus it is becoming increasingly difficult for locally employed residents to afford to purchase or rent housing in Patterson.

| Table II-8: Median Sale Price for Single-Family Dwellings, City of Patterson (1994-2009) |                    |
|--|--------------------|
| Year   | Median Sales Price |
| 2009**   | \$150,000          |
| 2008*  | \$179,000          |
| 2007   | \$420,000          |
| 2006   | \$460,000          |
| 2005   | \$343,610          |
| 2004   | \$279,470          |
| 2003   | \$225,210          |
| 2002   | \$189,210          |
| 2001   | \$157,250          |
| 2000   | \$133,380          |
| 1999   | \$120,600          |
| 1998   | \$101,000          |
| 1997   | \$112,700          |
| 1996   | \$111,530          |
| 1995   | \$107,900          |
| 1994   | \$108,500          |

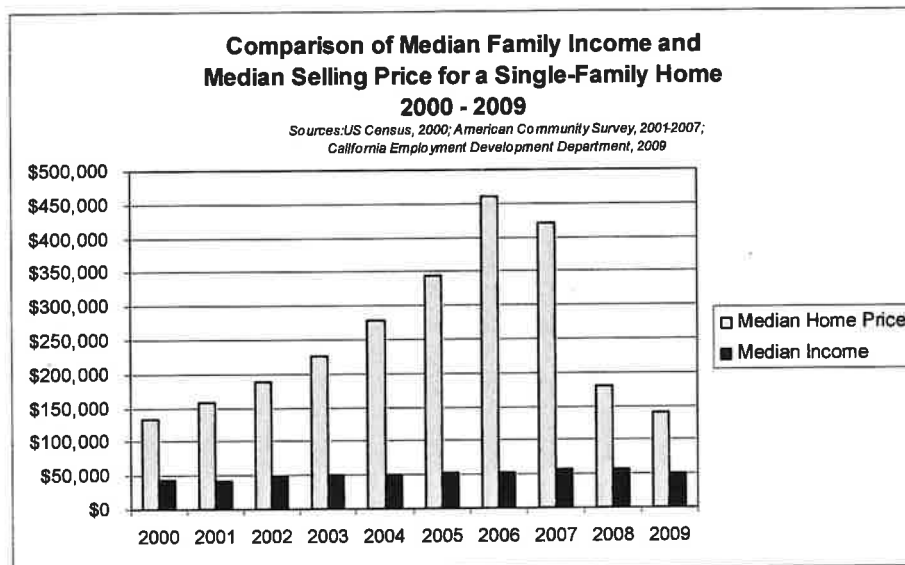
Source: Central Valley Association of Realtors

\* Through September, 2008

\*\* Through November, 2009

The relationship between rising housing costs and median family income is illustrated in the following graph. From 1999 to 2006 housing prices rose sharply while incomes remained relatively flat, thereby widening the affordability gap for all households, but especially for households with extremely low, very low and lower incomes. Since 2007, single-family housing prices have dropped dramatically, making homes more affordable to lower income wage-earners.

Figure II-1: Family Income and Home Prices



Sources: US Census, 2000; American Community Survey, 2001-2007; California Employment Development Department, 2009.

According to the 2004 Housing Element, the most pressing affordable housing issues facing the City included the following:

- *Housing costs continue to rise faster than incomes.* As a result, market rate housing is becoming less affordable to households with a median income. More importantly, home ownership for households of extremely low, low, and lower-income households continues to be largely out of reach. However, this has been alleviated with the latest housing market downturn, and housing sales prices have returned to pre-2003 levels.
- *Shortage of apartment rentals.* Patterson has the lowest ratio of large apartment projects (five or more units) to total apartment dwellings of any city in Stanislaus County. The small quantity of rental units—along with low market rents—increases demand for apartments. Unfortunately, the market rent for apartments in Patterson is currently too low to support the construction of new apartment projects.
- *Housing for Seniors.* In Patterson, 36.6 percent of senior households (a majority of which are renters) are paying more than 35 percent of their income for shelter. These households would benefit from publicly assisted housing or other types of public assistance. These factors indicate a need for more affordable senior housing.
- *Shortage of Rental Housing for Large Households.* According to the 2000 Census, there were 886 large households in the City (five or more

persons) and 1,971 housing units of three or more bedrooms. This would suggest that an adequate number of larger housing units exists to meet this need. However, these units are almost all single family for-sale dwelling units and not rentals. There remains a need for rental units to accommodate large households.

- *Housing for Farmworkers.* Based on estimates provided by the Stanislaus County Housing Authority, it appears that Patterson is housing a disproportionately large number of farm workers. Many of these farm workers reside in group quarters. The Stanislaus County Housing Authority operates the Walnut Acres Migrant Center in Patterson. Walnut Acres has 30 barracks-like units capable of accommodating 30 families. Nonetheless, to the extent these households constitute a portion of the extremely low, very low and lower-income households, they would benefit from affordable housing programs.

**Rental Housing**

According to the 2000 Census, the median rent was \$506 in the City of Patterson, compared to \$611 for Stanislaus County. In the Laurin Associates Survey conducted in January 2003, the median rent was \$660. Rents ranged from \$338 for a studio apartment, to \$690 for a three-bedroom apartment.

| Table II-9: Median Rents<br>City of Patterson, 2003 |                     |
|---|---------------------|
| Bedroom Type  | Median Market Rents |
| Studio  | \$338               |
| One Bedroom   | \$499               |
| Two Bedroom   | \$542               |
| Three Bedroom                                       | \$690               |

Source: Laurin Associates, January 2003  
 Note: Net rents, apartment utilities are \$42 for a studio, \$54 for a one bedroom, \$63 for two bedroom, \$75 for three bedroom, and \$90 for four bedroom

According to City-data.com, the median rent in Patterson in 2007 was \$761, while, according to the American Community Survey, it was \$914 in the County of the same year.

**Income Limits**

Each year the United States Department of Housing and Urban Development (HUD) publishes income limits for California to be used in conjunction with federal housing programs. These statistics are reported by metropolitan statistical area (MSA) or by county where no MSA has been defined. The California Department of Housing and Community

Development (HCD) uses these figures to establish income limits for all California counties. State law requires that these HCD figures be used when defining lower-income households (see Health and Safety Code § 50079.5). Table II-10 shows the 2007 income limits for various size families in Stanislaus County.

| Table II-10: HCD Income Eligibility Limits<br>County of Stanislaus (2008) |                      |          |          |          |          |          |          |          |
|---|----------------------|----------|----------|----------|----------|----------|----------|----------|
| Income Categories   | Persons in Household |          |          |          |          |          |          |          |
|   | 1                    | 2        | 3        | 4        | 5        | 6        | 7        | 8        |
| Extremely Low   | \$11,850             | \$13,550 | \$15,250 | \$16,950 | \$18,300 | \$19,650 | \$21,000 | \$22,350 |
| Very Low  | \$19,800             | \$22,600 | \$25,450 | \$28,250 | \$30,500 | \$32,750 | \$35,050 | \$37,300 |
| Lower   | \$31,650             | \$36,150 | \$40,700 | \$45,200 | \$48,800 | \$52,450 | \$56,050 | \$59,650 |
| Median  | \$39,600             | \$45,200 | \$50,900 | \$56,500 | \$61,000 | \$65,500 | \$70,100 | \$74,600 |
| Moderate  | \$47,500             | \$54,200 | \$61,000 | \$67,800 | \$73,200 | \$78,600 | \$84,100 | \$89,500 |

Source: HCD, 2008

### Home Ownership Affordability

The income limits set by HCD provide an important point of reference for understanding the housing market in Patterson. Using these income limits, ownership affordability was analyzed for the area by calculating the price of a house in Patterson affordable to various family incomes. Table II-11 shows the results of this analysis.

| Table II-11: HCD Income Groups by Affordability (2007) |                     |                       |
|--|---------------------|-----------------------|
| Income Group   | Income Range        | Ideal Monthly Payment |
| Extremely Low  | Less than \$16,950  | Less than \$424       |
| Very Low   | \$16,951 - \$28,250 | \$424 - \$706         |
| Lower  | \$28,251 - \$45,200 | \$706 to \$1,130      |
| Moderate   | \$45,201 - \$67,800 | \$1,130 to \$1,695    |
| Above Moderate   | \$67,801 and above  | \$1,695 and above     |

Source: HCD, 2008

Notes: 30% of income equal to monthly payment for housing.

It should be noted that additional homeowner expenses, such as taxes and insurance, can require five to seven percent of gross income for lower- and moderate-income families. When ownership affordability is compared with the cost of housing in the City of Patterson, it is evident that ownership of the median priced house is possible only for those families that earn 120 percent (moderate income group) or more of median family income.

This does not necessarily mean there are no houses available to the lower than-median-income family in Patterson; by definition, there are an equal number of houses for sale that cost less than the median price as cost more.

**Rental Affordability**

Rental affordability was analyzed for the area by calculating the rents in Patterson affordable to various family incomes. Table II-12 shows the results of this analysis. Rental prices in the Patterson area are still generally affordable for families in all income categories except very low income.

| Table II-12: Affordable Rental Rates |                                       |             |             |               |              |
|--------------------------------------|---------------------------------------|-------------|-------------|---------------|--------------|
| Income Range                         | Maximum Affordability of Monthly Rent |             |             |               |              |
|                                      | Studio                                | One Bedroom | Two Bedroom | Three Bedroom | Four Bedroom |
| Extremely Low                        | \$294                                 | \$336       | \$378       | \$420         | \$453        |
| Very Low                             | \$490                                 | \$559       | \$629       | \$700         | \$755        |
| Lower                                | \$653                                 | \$747       | \$842       | \$933         | \$1,006      |
| Moderate                             | \$984                                 | \$1,125     | \$1,269     | \$1,406       | \$1,516      |

Source: HCD, 2007 and CMCA  
 Notes: Apartment utilities are \$42 for a studio, \$54 for a one bedroom, \$63 for two bedroom, \$75 for three bedroom, and \$90 for four bedrooms.

**Overpayment for Housing**

Overpayment is an important measure of the affordability within the City of Patterson. Specifically, overpayment is defined as monthly shelter costs in excess of 30 percent of a household's income. According to the Census, shelter cost is the monthly owner costs (mortgages, deeds of trust, contracts to purchase or similar debts on the property and taxes, insurance on the property and utilities) or the gross rent (contract rent plus the estimated average monthly cost of utilities).

In the City of Patterson, a total of 1,050 households, which is just over 33 percent of all households, pay in excess of 30 percent of their income for shelter. Owners had a lower percentage of households who overpay with 33.3 percent, while 36.2 percent of renters overpay. The overpayment situation is particularly critical for renters with annual incomes less than \$20,000 where 234 households (25.2 percent) are cost burdened.

| Income Range          | Renters                          |                                  | Owners                           |                                 |
|-----------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------|
|                       | Number of Households Over paying | Percent of all Renter Households | Number of Households Over paying | Percent of all Owner Households |
| Less than \$10,000    | 84                               | 9.1%                             | 62                               | 2.9%                            |
| \$10,000-\$19,999     | 150                              | 16.1%                            | 60                               | 2.8%                            |
| \$20,000-\$34,999     | 82                               | 8.8%                             | 251                              | 11.7%                           |
| \$35,000-\$49,999     | 20                               | 2.2%                             | 152                              | 7.1%                            |
| Greater than \$50,000 | 0                                | 0.0%                             | 189                              | 8.8%                            |
| TOTAL                 | 336                              | 36.2%                            | 714                              | 33.3%                           |

Source: 2000 Census

As Table II-13 shows, the majority of lower income renter households were overpaying for housing in 2000. Households \$35,000 and above were also overpaying for housing.

## Housing Needs

### Patterson's Fair Share of Projected Regional Needs

The City of Patterson falls under the jurisdiction of the Stanislaus Council of Governments (StanCOG) that uses a predominately demographic formula to allocate the regional housing needs among the incorporated cities and unincorporated county. This process results in a Regional Housing Needs Assessment (RHNA) and the number reflected in that assessment must be considered when the General Plan Housing Element is prepared.

StanCOG has adopted the philosophy that each city within its jurisdiction knows their own needs and resources and should have the responsibility for developing their own policies to meet their portion of the regional housing need. StanCOG housing needs figures are limited to new housing construction. That number is then allocated to income groups.

The 2008 StanCOG Regional Housing Needs Allocation Plan determined that 23 percent of the construction need in the County is classified as very low income households, and an additional 16 percent shows a need for low income. The assessment also shows a need for construction for 19 percent for households with moderate incomes and the 42 percent for above moderate income households.

Construction needs are derived from StanCOG population and household growth projections. The income group proportions are then applied toward the construction need, which results in a goal for the number of housing units by income group within the City of Patterson.

For the period 2007 to 2014, the City of Patterson has been given a construction need of 1,070 housing units. In 2007, 451 units of moderate and above moderate income units were constructed, bringing the total need to 642. The specific need by income group is depicted in the following table.

| Table II-14 – Construction Need (2007-2014) |                   |                  |              |
|---|-------------------|------------------|--------------|
| Income Group/Percent of Households          | Construction Need | Constructed 2007 | Current Need |
| Very Low - 23%                              | 235 units         | 0                | 235          |
| Low - 16%                                   | 182 units         | 0                | 182          |
| Moderate - 19%                              | 225 units         | 0                | 225          |
| Above Moderate - 42%                        | 428 units         | 451              | 0            |
| TOTAL                                       | 1,070 units       | 451              | 642          |

Source: 2008 Regional Housing Allocation Plan, StanCOG

### Special Needs

As noted in Government Code Section 65583 (a)(6), within the overall housing needs assessments there are segments of the population that require special consideration. These are generally people who are low income and have less access to housing choices. These special housing needs groups include the elderly, the disabled, single-parent households, large families, farm workers, and the homeless.

#### The Elderly

Many elderly households live in housing that costs too much or live in housing that does not accommodate specific needs for assistance. Due to various circumstances an elderly household may have difficulties staying in their home community or near family.

In the 2000 Census there were an estimated 535 senior households in the City, constituting 16.9 percent of the total City households. Comparatively, 18.8 percent of the City's households were seniors in 1990. Currently, there are 576 senior households estimated in the City of Patterson. While senior population only represents 7.2 percent of the total population, senior households represent 17.1 percent of the City's total households.

In 1990, 21.9 percent of the senior households in Patterson were renters. Change in the proportion of senior renters is dependent on the quantity of housing options and the propensity to convert from ownership. In 2000, the proportion of the City's senior renters had increased to 32.1 percent.

In 1990, 42.9 percent of all senior citizen households had incomes below \$15,000. According to the 2000 Census this percent has decreased, and there are now fewer seniors in the below \$10,000 category and more seniors in the \$10,000-\$14,999 range than in 1990. The greatest gains were in the mid range incomes. In 1990 there were 34 senior households with annual

incomes in the \$34,000 – \$49,999 range. At the time of the 2000 Census, 23.7 percent, or 127 senior households, had annual incomes between \$34,000 and \$49,999. In the City of Patterson nearly one half of all senior households (45.1 percent) are in the Very Low Income range.

An important statistic to measure the affordability of housing for senior citizens in the City of Patterson is 'overpayment'. Overpayment is defined as monthly shelter costs in excess of 30 percent of a household's gross income.

According to the 2000 Census, 62.0 percent of the senior renter households were in overpayment situations and 29.6 percent of senior owner households were overpaying for shelter in Patterson. In California, 64.4 percent of the senior renters and 17.6 percent of senior owner households overpay for shelter. In Stanislaus County, 63.6 percent of the senior renters and 26.0 percent of the senior owners overpay for shelter. Also, 55.1 percent of the nation's senior renters were overpaying and 18.7 percent of the senior owners were overpaying.

In Patterson, 36.6 percent of senior households are paying more than 35 percent of their income toward shelter, a majority of which are renters. These senior households are cost burdened and would benefit from publicly assisted housing or other types of public assistance. These factors in summary present a greater need for more affordable senior housing.

### **Disabled Persons**

Three types of disabled persons are considered as having special housing needs: Physically, Mentally, and Developmentally Disabled. Each type is unique and requires specific attention in terms of access to housing, employment, social services, medical services and accessibility within housing.

In 2000, a total of 2,957 persons in the City had some type of disability. Of these, 86.4 percent or 2,555 persons were between the ages of 5 and 64 and the remaining 402 were 65 years of age or older.

According to the 2000 Census, 51.1 percent of persons 16 to 64 years of age with a disability were employed. This is far below the overall employment rate of 90.8 percent. In Stanislaus County, there are several organizations that offer employment services such as the Disability Resource Agency for Independent Living and the Howard Training Center. With no means to support daily living, those disabled persons who are not employed may be in need of housing assistance. Currently the City of Patterson has no housing specifically for the disabled.

### **Large Families**

For the purposes of this discussion, a large family is defined as a household consisting of five or more persons. In some cases, the needs of larger families are not targeted in the housing market, especially in the multifamily market.

In the 2000 Census, 29.2 percent or 906 of the households in the City of Patterson consisted of five or more persons. At the same time, the County had 18.2 percent and the State had 16.0 percent.



Source: 2000 Census

According to the 2000 Census, a majority of the City's housing stock is comprised of units with three bedrooms or less. For example, 62.8 percent of the renter housing units were either two or three bedrooms and 66.9 percent of the owner housing units were either two or three bedroom units. These unit types are considered more versatile in the housing market, and consequently are built more frequently.

Large households often have lower incomes, which frequently results in overcrowding in smaller dwelling units and in the acceleration of unit deterioration. According to the 2000 Census, there were 886 large households in the City and 1,971 housing units of three or more bedrooms. This would indicate an adequate number of larger housing units.

The number of large families has been increasing in Patterson and consequently demand will increase for larger homes with more bedrooms. Although the supply of larger housing units has approached the demand in the past, overcrowding is increasing for the larger families.

### Farmworkers

Estimating farmworkers and households associated with farm work within the State is extremely difficult. Generally, farmworker population contains two segments of farmworkers: permanent and migratory (seasonal) farmworkers. The permanent population consists of farmworkers who have settled in the region and maintain local residence and who are employed most of the year. The migratory farmworker population consists of those farmworkers who typically migrate to the region during seasonal periods in search of farm labor employment. Traditional sources of population estimates, including the 2000 Census, have tended to significantly underestimate farmworker population. Moreover, different employment estimation techniques result in diverse estimates of local agricultural employment. Nonetheless, a range of estimates of farmworkers in the State can be derived. Further, by applying assumptions derived from surveys specifically targeted to farmworkers, aggregate population (both workers and households) can be estimated. These estimates indicate that average

annual employment of farmworkers in California is about 350,000, with peak period employment of about 450,000. This employment is filled by between 650,000 and 850,000 farmworkers within the State. Total population (including family members) associated with these workers is between 900,000 and 1.35 million persons.

The California Statewide Housing Plan, Phase I, lists the following distinctive characteristics for farmworker households:

- They have low homeownership rates.
- They have large household sizes, and renter households are as large as those of owners.
- They live disproportionately in the housing that is in the poorest condition.
- They tend to have low incomes and high rates of poverty,
- They have very high rates of overcrowding.

Based on estimates provided by the Stanislaus County Housing Authority, it appears that Patterson is housing a disproportionately large number of farm workers. Many of these farmworkers reside in group quarters. The Stanislaus County Housing Authority operates the Walnut Acres Migrant Center in Patterson. Walnut Acres has 30 barracks-like units capable of accommodating 30 families. Using a Joe Serna Jr Farmworker Grant, the migrant center was rehabilitated in 2003. In addition to the Housing Authority's units, the United States Department of Agriculture (USDA) Farmers' Home Administration (FmHA) has 76 year-round farmworker units in Patterson and the California Department of Migrant Services has 45 seasonal housing units.

The Housing Authority reported in December 2002 that of the 240 applicants on its waiting list for housing assistance, 157 (65 percent) were farmworkers. Furthermore, an influx of migrants during the spring, summer, and fall generates additional housing needs. During each of the past two years (2001 and 2002), migrant or seasonal farm worker housing needs accounted for 100 additional Housing Authority applicants

The California Employment Development Department (EDD) estimates that total agricultural employment in the State's agricultural counties. EDD estimates that there were approximately 14,200 workers employed in farming in 2002 in Stanislaus County. According to EDD, the number of regular and seasonal hired workers countywide increased during the last decade. Because farmworkers are of Very Low income and their employment status is tenuous, they are often unable to compete for housing on the open market.

While the City of Patterson's primary industries are services and manufacturing, the City is located in the heart of the San Joaquin Valley, which is prime agricultural land. Stanislaus County is a leading producer of almonds, apricots, boysenberries, chickens, cling peaches, dry beans, peas, pigeon and squab, walnuts and fruit, nut and grape nursery products. According to the 2000 Census, there were 374 persons employed in the

farming, fishing and forestry occupations in the City of Patterson, which is an increase of 56 persons since the 1990 Census. There are no fishing or forestry industries in the City and therefore it is assumed that all 374 persons were employed as farmworkers. This equals 8.7 percent of all employed persons in the City.

The City of Patterson welcomes the development of farmworker housing in any zone that permits the type of housing being built (i.e., multifamily or single-family) without any special conditions. Because the percent of the existing farmworker housing population is small the housing needs of this group are addressed through affordable housing strategies. Currently the Housing Authority has designated two of the three government assisted housing developments for farmworkers. The following is a list of the migrant and permanent farmworker designated housing in Stanislaus County.

| Table II-15 -- Farmworker Housing |           |                 |           |
|-----------------------------------|-----------|-----------------|-----------|
| Name                              | Type      | Number of Units | Location  |
| Empire Migrant Center             | Seasonal  | 77              | Empire    |
| Westley Migrant Center            | Seasonal  | 94              | Westley   |
| Patterson Migrant Center          | Seasonal  | 42              | Patterson |
| Ceres Farm Labor                  | Permanent | 104             | Ceres     |
| Modesto Farm Labor                | Permanent | 91              | Modesto   |
| Westley Farm Labor                | Permanent | 85              | Westley   |
| Patterson Farm Labor              | Permanent | 76              | Patterson |
| TOTAL:                            |           | 569             |           |

Source: Stanislaus Housing Authority

### Single-Parent Households

Single-parent households have special housing needs due to the need for reasonable day care, health care, and affordable housing. The most significant portion of this group is the female-headed households. Female-headed households with children often have lower incomes, limiting their access to available housing. Many housing experts believe these households are especially at risk of housing cost burden or homelessness.

The 2000 Census counted 1,287 family households with children under 18 years old and under in the City of Patterson, of which 225 (8.7 percent) are headed by females.

### Availability Of Land And Services For Residential Development

As part of the 2003-2008 Housing Element update, an analysis of the residential development potential of vacant land in the City of Patterson was completed in November 2003. Figure II-1 shows the location of vacant land throughout the City.

Table II-16 is a listing of vacant land by General Plan land use classification along with the conservative unit capacity for this classification. As of 2008, the City contained approximately 851 acres of vacant land designated for residential development land that could accommodate up to approximately 5,400 housing units, enough units to meet all or most of the next RHNA allocation to the City. An additional 525 acres of low and medium density residential have been approved for development within The Villages of Patterson project.

The amount of vacant residentially zoned land in the City has the potential to easily meet the needs of all income groups in the RHNA, in addition to special needs groups. Each residential zone with vacant land permits a variety of uses that have the potential to meet any of the income group needs. For example, both the LR and HR districts permit childcare facilities, manufactured housing on permanent foundations, secondary dwelling units and transitional housing.



| Table II-16 -- Suitable Residential Lands<br>By General Plan Land Use Designation, 2007 |                              |                        |                         |                        |
|---|------------------------------|------------------------|-------------------------|------------------------|
| Zoning District   | Permitted<br>Density Ranges* | Total Acreage          | Max. Number<br>of Units | Net Number<br>of Units |
| VACANT LANDS  |                              |                        |                         |                        |
| LR  | 1.1-5.0                      | 515.5                  | 2,577                   | 1,546                  |
| DR  | 3.1-10.0                     | 0.23                   | 2                       | 1                      |
| MR  | 5.1-12.0                     | 321.3                  | 3,856                   | 2,699                  |
| HR  | 12.1-20.0                    | 14.0                   | 280                     | 222                    |
| DC**  | 12.1-20.0                    | 58.64                  | 1,183                   | 938                    |
| TOTAL   | N/A                          | 851 (909.4<br>with DC) | 4,042                   | 5,406                  |
| OTHER   |                              |                        |                         |                        |
| HI  | N/A                          | 2.42                   | N/A                     | N/A                    |
| PQP   | N/A                          | 6.02                   | N/A                     | N/A                    |
| GC  | N/A                          | 3.74                   | N/A                     | N/A                    |
| DC**  | N/A                          | 26.39                  | N/A                     | N/A                    |
| TOTAL NET NUMBER OF UNITS: 5,406 UNITS  |                              |                        |                         |                        |

Source: City of Patterson Vacant Land Inventory, November 2003; City of Patterson Zoning Code

\*Units per gross acre

\*\* The DC category allows a mix of commercial and residential uses. As per policy 3-2-1, projects are encouraged to maximize residential components. In the past, mixed use projects have been built at a 60/40 residential to office ratio. Based on that ratio the potential units in the DC category were calculated.

As indicated in Table II-16, current available land acreage meets City needs for developing family units to fulfill RHNA requirements. As previously stated there is also 525 acres of low-density residential land that is currently being developed by planned developments (PDs). These planned developments will accommodate an additional 3,100 new dwelling units over the next five to ten years.

## Governmental Constraints on the Production Of Housing

While local governments have little influence on such market factors as interest rates, their policies and regulations do constrain the free operation of the housing market. For the most part, local regulations play a legitimate role in protecting the public's health, safety, and welfare. In some cases, however, local regulations may unnecessarily restrict the operation of the housing market. Examination of the local regulatory structure can highlight those areas of "excessive" regulations where steps can be taken to remove or minimize obstacles to residential development.

A factor often cited by private developers for spiraling housing costs and the decrease in affordable housing for all sectors of the population is local governmental regulation. Governmental constraints imposed by the Federal, State, or local government can influence development. Such controls can be used to facilitate and encourage the development of housing or may have the opposite effect, posing barriers and frustration for the local developer. This section discusses efforts Patterson has made for the development, maintenance and improvement for housing in five areas: land use controls, building codes and enforcement, on-and off-site improvements, fees, and processing and permit procedures.

### **Land Use Controls**

The General Plan is the primary land use control document for the City. This policy document not only establishes the location and amount of land that will be allocated to residential development, but also establishes the intensity of development (in terms of unit densities and total number of units) that will be permitted. While nearly all components or elements of the General Plan contain goals and policies that influence residential development, it is the Land Use Element that has the most direct influence.

The City of Patterson development standards do not contain any unduly restrictive provisions. Building height, setbacks, lot areas, and parking are generally within the range of other small cities in the State.

Land use controls are generally minimum standards included in zoning and subdivision ordinances. The Patterson Zoning Ordinance controls such features as residential densities, lot sizes, and yard setbacks. Duplexes and apartments are alternatives to the single-family home allowable in R-2 and R-3 zoned areas. Patterson has also accommodated low and very low-income needs by allowing for increased densities in planned development subdivisions. The following table summarizes Patterson's existing property development regulations.

| Table II-17 -- Development Standards by Residential Zone |                  |              |         |      |                  |                                  |                |                   |
|--|------------------|--------------|---------|------|------------------|----------------------------------|----------------|-------------------|
| Zone District  | Max. Height      | Yard Setback |         |      | Minimum Lot Area | Density Range                    | Parking Spaces | Max. Lot Coverage |
|  |                  | Front        | Side    | Rear |                  |                                  |                |                   |
| R-L  | 2-Stories-32 ft. | 20ft         | 5-10ft  | 20ft | 6,000-7000 s.f.  | 1.1-5.0 units/ ac.               | 1-2/unit       | 100.0%            |
| D-R  | 2-Stories-32 ft. | 20ft         | 5-10ft  | 20ft | 6,000-7000 s.f.  | 3.1-10.0 units/ ac.              | 1-2/unit       | 100.0%            |
| M-R  | 2-Stories-32 ft. | 20ft         | 5-10ft  | 20ft | 9000 s.f.        | 5.1-12.0 units/ ac.              | 1.25-2.25/unit | 40.0%             |
| H-D  | 3-Stories-45 ft. | 20ft         | 10-20ft | 20ft | 10,000 s.f.      | 12.1-20.0 units/ ac.             | 1.25-2.25/unit | 50.0%             |
| DC   | 3-Stories-45 ft  | NA           | 10ft    | 10ft | 2,000 s.f        | FAR of 2.00/12.1-20.0 units/ ac. | 1.25-2.25/unit | NA                |

Source: City of Patterson Zoning Ordinance

**Local Entitlement Fees and Exactions**

Part of the cost of developing residential units is the fees or other exactions required of developers to obtain project approval and the time delays caused by the review and approval process. Critics contend that lengthy review periods increase financial and carrying costs, and that fees and exactions increase expenses. These costs are, in part, passed onto the prospective homebuyer in the form of higher purchase prices or rents.

A brief survey demonstrates the generally average cost in planning fees charged by the City of Patterson. For example, Patterson requires a fee of \$2,760 for a General Plan amendment, while Modesto and Turlock fees are higher. While fees can contribute significantly to increase housing costs, Patterson has had very low planning fees and the fees are not considered a major constraint on the maintenance, improvement and the development of housing.

| Table II-18 -- Planning Application Fees, Surrounding Jurisdictions |                                    |             |                     |          |
|---|------------------------------------|-------------|---------------------|----------|
| Jurisdiction  | General Plan Amendment             | Zone Change | Tentative Tract Map | Variance |
| Turlock   | \$5,775                            | \$5,197.501 | \$2,541             | \$1,102  |
| Modesto   | Actual cost with a \$3,000 deposit | \$1,000     | \$730               | \$2052   |
| Patterson   | \$2,760                            | \$3,050     | \$3,390             | \$930    |
| Ceres   | Actual cost with a \$2,000 deposit | \$1,597     | \$786               | \$629    |
| Stanislaus County   | \$1,725                            | \$1,720     | \$2,005 + \$10/lot  | \$1,210  |

Source: City and County Planning Departments

<sup>1</sup> Fees are reduced when filed with a planned development application

<sup>2</sup> For single family situations, \$845 for all others

Since the passage of Proposition 13 in 1978, local governments have come to rely increasingly on development impact fees adopted in accordance with Government Code §66000 to finance local infrastructure. The City of Patterson charges several fees on residential developments at the building permit stages as shown in Table II-19.

Fees, land dedications, or improvements are also required in most instances to provide an adequate supply of public parkland and to provide necessary public works (streets, sewers, and storm drains) to support the new development. While such costs are charged to the developer, most, if not all, additional costs are passed to the ultimate product consumer in the form of higher home prices or rents. Based on Table II-19, for a typical single family 40-unit housing development the total development fees equal approximately \$39,000 per house. However, in the past, the City has waived these fees for affordable housing projects.

The significance of the necessary public works improvements in determining final costs varies greatly from project to project. The improvements are dependent on the amount of existing improvements and the nature of the project.

| Table II-19 -- 2007 Development Impact Fees for Residential Development |                      |
|---|----------------------|
| Fee Category  | Residential Per Unit |
| General Government  | \$1,073              |
| Community Facilities  | \$2,928              |
| Police  | \$70                 |
| Fire  | \$457                |
| Park Acquisition  | \$3,689              |
| Park Development  | \$3,501              |
| Water   | \$13,505             |
| Wastewater  | \$4,307              |
| Storm Drainage  | \$5,379              |
| Traffic   | \$3,879              |
| I-5 Interchange   | \$43                 |
| Water Meter   | \$250                |
| Services Impact Fee   | \$607                |
| <b>Total:</b>   | <b>\$39,697</b>      |

Source: City of Patterson, 2007

In addition to City development fees, Stanislaus County levies development fees on residential and non-residential development on a countywide basis, including development that takes place in incorporated cities. Countywide

fees fund roads, jails, courts, libraries, parks, public health, and other costs. The following table lists the countywide development fees for residential uses.

| Fee Type                   | Single Family | Multifamily | Senior Housing |
|----------------------------|---------------|-------------|----------------|
| County Public Facility Fee | \$8,037.73    | \$6,580.39  | \$2,961.70     |

Source: Stanislaus County 2007

The Subdivision Ordinance governs the process of converting raw land into building sites. It allows the City to control the internal design of each new subdivision so that its pattern of streets, lots, and public utilities will be safe, pleasant, and economical to maintain. Again, overly restrictive standards will result in greater land development costs and/or lack of development interest. The City has worked very willingly with developers to cut costs. Planned developments that allow greater freedom for the contractor have been successful in cutting costs.

### Building Codes and Enforcement

While minimum building codes enforced by State law are essential to the physical construction of safe and lasting housing, additional standards controlling the design of housing may increase construction costs unnecessarily. Patterson has modified its building code to the requirements specified by State law.

Because of the expansive soils in Patterson, soil reports are required for new subdivisions. A vapor barrier for concrete slab on grade floors is one of several possible methods for mitigating the effects of expansive soils. This is the only additional requirement adopted by Patterson other than the mandated State law provisions.

### On- and Off-Site Improvements

Land improvements can be categorized as those designed to modify the existing parcel of land, an onsite improvement, or those to modify the exterior, or off-site areas. On-site improvements include such items as required off-street parking, fences, and landscaping to control access and/or noise. Such public off-site improvements include curbs, gutters, sidewalks, pavement, adequate drainage, street lighting, and street trees. These have been deemed necessary to maintain the public health, safety, and welfare standards for a residential community.

### Nongovernmental Constraints On The Production Of Housing

The availability of housing is strongly influenced by market factors over which local government has little or no control. The primary market constraints to the development of new housing are the costs of constructing

and purchasing new housing. These costs can be broken down into four categories: materials, labor, land, and financing. Patterson can be considered as part of a very broad general housing market that includes the Central Valley area. For the most part, housing cost components in Patterson are comparable to those in other parts of the general market area.

### **Material Costs**

A major component of the cost of housing is the cost of building materials, such as wood and wood-based products, cement, asphalt, roofing materials, and plastic pipe. Prices for these goods are affected primarily by the availability and demand for such materials.

Because the Central Valley is served by such a well-developed regional transportation network and because many of the materials needed for construction are produced locally, availability of materials is excellent. The demand for building materials is also very high because there is so much housing development occurring in the area. The result of the combination of excellent supply and high demand is a very competitive market and, therefore, relatively low prices. In addition, the land in Patterson which is most likely to be developed in the future for housing is well-suited for the kind of large projects which allow developers to realize economy-of-scale savings on materials.

The costs of building materials in the Central Valley and in Patterson in particular, are relatively low and therefore do not constitute a constraint to the development of affordable housing.

### **Cost of Labor**

Another major cost component of new housing is labor. Inflated labor costs due to high wage rates significantly increase the overall cost of housing in some markets. The cost of labor in Patterson is, however, relatively low for a number of reasons. Overall, the Central Valley's cost of living is relatively low; wage-scales in the area, therefore, tend to be somewhat lower than in markets with higher living costs, such as the San Francisco Bay Area. Also labor is generally less costly because the area is predominantly non-union. Labor in highly unionized markets is typically more expensive.

### **Land Costs**

The effect of land costs on residential development can easily be identified. Costs associated with the acquisition of land include the market price of raw land and the cost of holding land throughout the development process. These costs can account for as much as half of the final sales price of new homes in very small developments or in areas where land is scarce. Among the variables affecting the cost of land are its location, its amenities, the availability of public services, and the financing arrangements made between the buyer and seller.

Because of the abundant availability of raw land in the area, land costs in the Central Valley housing market area are generally low. Developable land in Patterson is generally \$260,000 to \$270,000 per acre.

### Cost and Availability of Financing

The cost and availability of capital financing affect the overall cost of housing in two ways. First, when the developer uses capital for initial site preparation and construction and, second, when the home buyer uses capital to purchase housing. The capital used by the developer is borrowed for the short-term at commercial rates which are considerably higher than standard mortgage rates. Commercial rates nonetheless drop when the overall market rates decrease, so the currently low interest rates should have a positive effect on the housing construction market.

The home buyer uses capital financing in the form of long-term mortgage loans; when market rates for standard home loans drop below ten percent, financing costs favor the buyer. Table II-21 shows how the variation in interest rates affects the buyer's monthly mortgage payments on a range of loan amounts.

| Interest Rate | \$60,000 | \$80,000 | \$100,000 |
|---------------|----------|----------|-----------|
| 6.0%          | \$360*   | \$480*   | \$599*    |
| 9.0%          | \$483    | \$644    | \$805     |
| 10.0%         | \$527    | \$702    | \$878     |
| 11.0%         | \$571    | \$762    | \$952     |

\*Based on a 30-year, fixed-rate mortgage, not including real estate taxes and home insurance. These costs add about two percent of the sales price annually.

The following table relates loan interest rates to home loan affordability at various income levels. One of the significant components to overall housing cost is financing. Through 2002, the rates on a 30-year fixed rate mortgage have varied between just below six percent and eight percent. For the first time since the 1960's, some mortgage rates have fallen below six percent.

According to data in Table II-22, the median price for a single-family home sold in 2007 in Patterson is \$200,000. Assuming a ten percent down payment, and a 30-year fixed rate mortgage, the Principal-Interest payment can be estimated between \$1,079 for a six percent interest rate and \$1,714 for an eleven percent interest rate. These monthly payments are affordable for households with incomes between \$43,164 and \$68,556.

| Table II-22 – Income/Loan Amount Affordability |                             |                  |                            |
|--|-----------------------------|------------------|----------------------------|
| Interest Rate                                  | Median Selling Price (2008) | Monthly Payment* | Monthly Income Required ** |
| 6.00%  | \$200,000                   | \$1,079          | \$3,597                    |
| 7.00%  | \$200,000                   | \$1,198          | \$3,993                    |
| 8.00%  | \$200,000                   | \$1,321          | \$4,403                    |
| 9.00%  | \$200,000                   | \$1,448          | \$4,827                    |
| 10.00%   | \$200,000                   | \$1,580          | \$5,267                    |
| 11.00%   | \$200,000                   | \$1,714          | \$5,713                    |

\*Assumes a 10 percent down payment.

\*\* Assumes 30 percent of income towards net monthly payment.

### Effects of Constraints on Total Development Costs

Given all of the above considerations, total development costs in Patterson will probably be very low. The overall effect of the various governmental and nongovernmental constraints is relatively insignificant in Patterson. Primarily because of low land costs, housing can still be produced more cheaply in the area than it can in other parts of the state.

### Publicly-Owned Surplus Land

According to State law, all public agencies intending to dispose of surplus land must first send a written offer to any local agencies within whose jurisdiction the land lies to sell or lease the land for the following purposes: recreation or open-space uses; enterprise zone uses; schools; or development of low- and moderate-income housing. In the event that the agency disposing the land receives more than one offer, it shall give first priority to the entity which agrees to use the site for housing for low- or moderate income housing, unless the land is already being used for park or recreation uses, in which case the entity offering to continue these uses shall receive priority (California Government Code §54220 et seq.).

### Opportunities for Energy Conservation

Conservation can be accomplished by reducing the use of energy-consuming items, or by physically modifying existing structures and land uses. The California Energy Commission first adopted energy conservation standards for new construction in 1978. These standards, contained in Title 24 of the California Administrative Code, contain specifications relating to insulation, glazing, heating and cooling systems, water heaters, swimming pool heaters, and several other items. Specific design provisions differ throughout the State depending upon local temperature conditions. Because of the warm climate, some of the insulation and heating standards are significantly less stringent in Patterson.

The California Energy Commission revised the standards for new residential buildings in 1981. These "second generation" standards were then delayed

until 1983 when AB 163 was passed which provided options for complying with the standards.

Although the energy regulations establish a uniform standard of energy efficiency, they do not insure that all available conservation features are incorporated into building design. Additional measures may further reduce heating, cooling, and lighting loads, and overall energy consumption. While it is not suggested that all possible conservation features be included in every development, there are often a number of economically feasible measures that may result in savings in excess of the minimum required by Title 24. Title 24 energy requirements are consistently reviewed in all building applications processed in the City.

Residential energy conservation measures can take two forms: those applied to the construction of new housing and those added to existing housing to increase energy efficiency (retrofitting).

The State requires local governments to implement energy conservation standards for all new residential development. Under these requirements, every new residential building constructed must meet rigorous building standards for heat gain and heat loss. In mandating these requirements, the State has largely preempted the authority of local governments to regulate building construction with respect to energy conservation.

Modesto Junior College operates the "Sunrise Energy Center." The Center was started under a California Energy Commission grant for the development of an energy resource center. "Sunrise" offers conservation and solar energy classes, consumer product information and computer programs for conservation and solar energy. The Center provides an informational resources clearing house for residents and businesses with a Statewide computer link; experimentation in alternative fuels such as methane, solar and gasohol; outreach services to improve farming practices; and the building in which the center is housed serves as a demonstration/laboratory for solar projects and weatherization.

Self-Help Enterprises provide weatherization grants for the poor and elderly in the County.

Solar energy is a viable alternate energy source for the City of Patterson. There are two basic types of solar systems: passive and active. In passive solar systems, the structure itself is designed to collect the sun's energy, then store and circulate the resulting heat similar to a greenhouse. Passive buildings are typically designed with a southerly orientation to maximize solar exposure, and are constructed with dense material such as concrete or adobe to better absorb heat. Properly placed windows, overhanging eaves, and landscaping can all be designed to keep a house cool.

Active solar systems typically collect and store energy in panels attached to the exterior of a house. This type of system utilizes mechanical fans or pumps to circulate the warm/cool air, while heated water can flow directly into a home's hot water system. Solar cells absorb the sun's rays to generate

electricity and can substantially reduce electric bills. Technology has made the cells increasingly efficient, and has reduced their cost to the level that may make them more popular with the average consumer.

Although passive solar systems generally maximize use of the sun's energy and are less costly to install, active systems have greater potential application to cool and heat a house and to provide it with hot water and electricity. This may mean lower energy costs for Patterson residents who install them.

Approximately 58.3 percent of the City's housing stock has been built since 1980 and most of these units benefit from Title 24 and other energy conservation measures. Some conservation opportunities will come from remodeling existing residences. Major opportunities for residential energy conservation will include insulation and weatherproofing, landscaping, and maximizing orientation and lowering appliance consumption. With the energy crisis of 2001, many new residential structures are incorporating energy conservation equipment and design, as well as technological advances (such as automatic timers to control air conditioning, lighting, etc.) to help reduce energy dependence.

Pacific Gas and Electric provides gas, and Turlock Irrigation District (TID) provides electric service to Patterson residents. These companies offer a variety of energy conservation programs and information services that are available to residents.

### **Current And Past Housing Programs In Patterson**

The following table provides an overview of the objectives and goals in the 2001 Housing Element and its progress on implementation.

**Table II-23 – 2001 City Of Patterson Housing Element  
Progress in Meeting Objectives**

| Policy  | Accomplishments   |
|---|---|
| GOAL IIA. Designate land for a balanced range of housing types and densities for all economic segments of the community.  |   |
| A. The City shall continue to promote the development of a broad mix of housing types   | A total of 1,084 housing units were constructed in the City of Patterson between 1990 and 2003. All units developed were conventional single-family units. The City is Considering adopting a fee system for multi-family developers.   |
| II A.2. The City shall maintain an adequate supply of residential land in appropriate land use designations and zoning categories to accommodate projected household growth, maintain normal residential vacancy rates, and minimize residential land cost.   | As of February 2003, the City contained approximately 365.35 acres of vacant residentially zoned land and 6.62 acres of residentially zoned land with potential for redevelopment. Combined, the vacant land with potential for redevelopment could accommodate 1,764 housing units, 65.0 percent more units than needed to meet the City's current Regional Housing Needs Assessment of 1,079 new units to be built by 2008. In addition, the City holds 11.7 acres in the Downtown Core District and General Commercial District that have potential for accommodating child care facilities, mobile home parks, small group care facilities, and mixed-use projects.   |
| II A.3. While promoting the provision of housing for all economic segments of the community, the City shall seek to insure the highest quality in all residential developments  | Since 2001, 451 new single-family units have been constructed in the City of Patterson. All developments have been constructed with quality outcomes resulting in improved community conditions.  |
| II A.4. The City shall require developers for all residential projects of five or more units to develop five percent of all project units as moderate income housing and 5% percent of all project units as very low and low income housing. As an alternative to developing the units on site, the developer must pay an equivalent in-lieu fee for the purpose of developing moderate and low-income housing. | The City of Patterson shall retain this program. There were no additional multifamily complexes developed over the last Housing Element period. Adopted housing ordinances provide for an in-lieu fee (currently set at \$734), which goes into a fund for low and very low-income housing.   |
| II A. 5. The City shall pursue all available State and federal funding assistance that is appropriate to Patterson's needs to develop housing that is affordable to low and moderate-income housing.  | While the City has pursued all available means of increasing the supply of housing for moderate and low/very low-income levels, they have met with only limited success. However, they have adopted an inclusionary housing ordinance, which provides for an in-lieu fee (currently set at \$734), which goes into a fund for low and very low-income housing. Additionally the CDBG program, obtained through the State Dept of HCD, and administered by the Housing Authority, has provided about 9 rehabilitated units for income-eligible families with the current round, and about 10 units during the 1996-97 round. In addition, the City is in the process of establishing a first-time homebuyers program using HOME funds. |

| <b>Table II-23 – 2001 City Of Patterson Housing Element<br/>Progress in Meeting Objectives</b>   |  |
|--|--|
| <b>Policy</b>  | <b>Accomplishments</b>   |
| <p>II A.6. The City shall use techniques such as revenue bonds or other mortgage-backed securities to develop affordable housing.</p>  | <p>No projects, as of to date, have been funded by revenue bonds or mortgage-backed securities due to a lack of participants. The City plans to continue to pursue these techniques as additional sources to fund affordable housing.</p>  |
| <p>II A.7. The City shall promote the expeditious processing and approval of residential projects that confirm General Plan policies and City regulatory requirements. To this end, the City shall work with developers in preparing specific plans and planned unit development plans, and in the expeditious annexation of land for housing development.</p> | <p>Between 1990 and 2000, the City of Patterson has been successful at expediting residential projects that confirm General Plan policies and meet City regulatory requirements. Patterson's one-stop planning counter allows for quick processing. Recently an infill 9-lot subdivision on Weber Avenue was processed beginning to end in less than three months.</p>                       |
| <p>II A.8.<br/>Consistent with other City objectives, the City shall attempt to ensure that its policies, regulations, and procedures do not add unnecessarily to the cost of producing housing.</p>   | <p>The City has exempted in-fills from a Mello Roos district on the basis they have less of an impact on services.</p>   |
| <p>II A. 9.<br/>The City shall provide for the development of secondary residential units, as required by State law, while protecting the single-family character of neighborhoods. Development of secondary residential units fronting on alleys, particularly in the Downtown Residential designation, shall be encouraged.</p>                              | <p>The City of Patterson's zoning ordinance, section 18-24-020, establishes provisions and regulations for development of secondary residential units. These units are subject to size and setback limitations, by administrative approval, and allow duplexes on corner lots in single-family neighborhoods.<br/>New programs will address the provisions of new legislation (AB1866).</p>  |
| <p>II A. 10.<br/>In accordance with provisions of State law, the City shall grant density bonuses of at least twenty-five (25) percent and at least one other specified incentive for qualifying projects to promote the inclusion of very low and low income and senior citizen housing.</p>  | <p>The City has encouraged, through the adoption of new ordinances, voluntary increases in density by allowing duplexes on corner lots. Additionally, the downtown core area allows dwellings units upstairs as an accessory use to downstairs commercial uses. Density bonuses are provided to qualifying projects which promote the inclusion of affordable family and senior housing.</p> |

| <b>Table II-23 – 2001 City Of Patterson Housing Element<br/>Progress in Meeting Objectives</b>   |   |
|--|---|
| <b>Policy</b>  | <b>Accomplishments</b>  |
| <p>II A.11.<br/>If below market-rate units are included in a project pursuant to the density bonus program or other local, State, or federal requirements, the City shall require buyer/renter eligibility screening and resale/rent controls for at least 10 years to maintain affordability of the units to originally-targeted income groups.</p> | <p>The City of Patterson has recently installed mechanisms to require existing and rehabilitated affordable units to remain affordable for 10 years.</p>  |
| <p>II A. 12.<br/>Where residential units, which are required to sell or rent at below-market rates, are included within a housing development, such units shall be interspersed within the development, and to, the extent reasonable, shall be visually indistinguishable from market rate units.</p>   | <p>Single-family homes developed by Self Help Enterprises Inc. are indistinguishable from market rate homes.</p>  |
| <p>II A.13.<br/>The City shall allow the installation of mobile homes and factory-built housing with permanent foundations consistent with the requirements of State law and in accordance with the City's residential design standards.</p>   | <p>Mobile homes and factory built housing with permanent foundations are permitted in designated residential zoned areas according to local zoning codes and planning guidelines.</p>   |
| <p>II A.14.<br/>Emergency shelters and transitional housing shall be allowable uses in the Downtown Residential, Medium Density Residential, and High Density Residential designations.</p>  | <p>Currently the only transitional / emergency housing is on church property, which is located in a downtown residential neighborhood. This church provides living assistance for 3-6 persons.</p>  |
| <p>II A.15.<br/>The City shall continue to work with the Stanislaus County Housing Authority in the administration of affordable housing programs and section HUD section 8 programs.</p>  | <p>The City of Patterson has maintained close and supportive relationship with the Stanislaus County Housing Authority. Currently the Housing Authority maintains 146 affordable rental units in the City of Patterson. Scheduled rehabilitation programs have kept units in use.</p> |
| <p>II A.16.<br/>The City shall promote homeownership in new housing constructed for low-income households, including programs such as self-help housing.</p>   | <p>The City of Patterson has been able to promote development with programs such as self-help. Self Help Enterprises provided two subdivisions for low-income households.</p>   |

| <b>Table II-23 – 2001 City Of Patterson Housing Element<br/>Progress in Meeting Objectives</b>  |  |
|---|--|
| <b>Policy</b>   | <b>Accomplishments</b>   |
| <p>II A.17.<br/>The City shall strive to meet, if not exceed, its fair share of the region's housing needs for very low, low and moderate income housing such as determined by the Stanislaus Council of Governments.</p> | <p>The City of Patterson has exceeded its fair share of the regional housing needs (as determined by Stanislaus Council of Governments) for moderate-income housing. However low and very low income housing needs have fallen short of RHNA goals.</p>  |
| <p>II A.18.<br/>The City shall encourage a mix of housing types throughout the City in order to increase residential choices.</p>   | <p>While the City has pursued CDBG, HOME, and CHAFA as a means of increasing the supply of housing for moderate and low/very low income levels, they have met with only limited success. The Housing Authority of the County of Stanislaus operates 146 farmworker and family units in town, and has been carrying out a scheduled rehabilitation program to return/keep these units in use.</p> |
| <p>II A.19.<br/>The City may use Community Development Block Grant (CDBG) funds in conjunction with private financial institutions to write down interest rates for home purchase rehabilitation.</p>                     | <p>The City has determined that direct loans or grants are more feasible than interest rate buy-downs, since there is no guarantee that incomes will increase.</p>   |
| <p>II A.20.<br/>The City shall support the continued use of Section 8 rent certificates/vouchers by Patterson residents.</p>  | <p>The City continues its support for the use of Section 8; several Section 8 units are in the City under the auspices of the Housing Authority.</p>   |
| <p>II A.21.<br/>The City shall promote the establishment of new non-profit housing developers or work with existing nonprofit developers to help develop affordable housing.</p>  | <p>The City of Patterson has been working with Self-Help Enterprises to bring additional development of affordable housing to the area. In addition, the City of Patterson is working with the Housing Authority of Stanislaus County to develop a new affordable senior housing project.</p>  |
| <p>II A.17.<br/>The City shall strive to meet, if not exceed, its fair share of the region's housing needs for very low, low and moderate income housing such as determined by the Stanislaus Council of Governments.</p> | <p>The City of Patterson has exceeded its fair share of the regional housing needs (as determined by Stanislaus Council of Governments) for moderate-income housing. However low and very low income housing needs have fallen short of RHNA goals.</p>  |
| <p>II A.18.<br/>The City shall encourage a mix of housing types throughout the City in order to increase residential choices.</p>   | <p>While the City has pursued CDBG, HOME, and CHAFA as a means of increasing the supply of housing for moderate and low/very low income levels, they have met with only limited success. The Housing Authority of the County of Stanislaus operates 146 farmworker and family units in town, and has been carrying out a scheduled rehabilitation program to return/keep these units in use.</p> |

| <b>Table II-23 -- 2001 City Of Patterson Housing Element<br/>Progress in Meeting Objectives</b>  |  |
|--|--|
| <b>Policy</b>  | <b>Accomplishments</b>   |
| <p>II A.22.<br/>To alleviate current citywide and countywide housing needs and remain consistent with State housing law and other goals and policies of this section, the City shall promote the granting of preference to purchase affordable housing developed in the City to low and moderate income households currently residing in the City or County.</p> | <p>By promoting preference to local residents of low and moderate income households for the purchase of affordable developments, the City of Patterson has had ongoing success alleviating current citywide and countywide housing needs.</p>  |
| <p>II A.23.<br/>The City shall coordinate with other municipalities and regional agencies in an effort to promote regional cooperation and achieve regional solutions.</p>   | <p>Currently the City of Patterson is in a consortium with Turlock, Oakdale and the County to promote regional cooperation of municipalities and achieve regional solutions.</p>   |
| <p>GOAL II B: Encourage maintenance, improvement and rehabilitation of Patterson's existing housing stock and residential neighborhoods</p>  |  |
| <p>II B.1.<br/>The City shall encourage private reinvestment in older residential neighborhoods and private rehabilitation of housing.</p>   | <p>In addition to providing grants for rehabilitation to income-eligible families, the City has made a portion of the CDBG money available for low interest loans to individual owners or rental properties, to encourage private reinvestment in older neighborhoods.</p>                               |
| <p>II B.2.<br/>The City shall pursue all available State and federal funding assistance that is appropriate to Patterson's needs to rehabilitate housing. Housing rehabilitation efforts shall continue to be given the highest priority in the use of CDBG funds.</p>   | <p>The City has applied for and received CDBG funding through State HCD. In addition, The City of Patterson is now in a HUD consortium for HOME funds with the City of Turlock. Rehabilitation programs are being promoted with a very aggressive advertising campaign, in both Spanish and English.</p> |

### **Additional Housing Programs**

In the summer of 2005 the City Council initiated a work program aimed at strengthening the City's efforts to meet the growing need for affordable housing in Patterson. A well-attended workshop conducted in August, 2005 produced a number of insightful comments and resulted in a list of strategies that included the following:

- Increasing residential densities
- Increasing the density bonus provided for affordable housing
- Encouraging and allowing by right the construction of manufactured housing
- Encouraging the use of self-help/sweat equity programs
- Expanding redevelopment housing programs
- Strengthening inclusionary housing requirements

- Integrating multi-family housing in the design of new neighborhoods
- Providing suitable rental housing for seasonal workers
- Establishing affordable housing requirements for new residential annexation areas
- Considering the re-designation of non-residential land for housing
- Promoting the construction of secondary dwelling units

Accordingly, the City concluded that revisions to the density bonus provisions, and adoption of stronger inclusionary housing requirements offered the best strategies for addressing the unmet need for affordable housing in the near term.

**Density Bonus Provisions**

California law (Gov Code § 65915) requires local governments to grant a 25 percent density bonus (or provide other incentives of equal value) to a developer in exchange for an agreement that the extra units be affordable to households with low or very low incomes. The City’s Zoning Ordinance Sections 18.20.160, 18.28.160, and 18.32.160 offered a 25% bonus which complied with this requirement. In 2002 the State legislature amended the density bonus law (Gov Code § 65915) with SB 1818 which makes density bonuses much more appealing to builders. The City subsequently adopted revised density bonus provisions which were consolidated in one section of the zoning ordinance (new chapter 18.78). The bonus provisions are summarized on the following table:

| Table II-24 – Density Bonus Summary Table |                        |               |   |   |
|---|------------------------|---------------|---|---|
| Target Group                              | Minimum % Target Units | Bonus Granted | Additional Bonus for Each 1% Increase in Target Units | % Target Units Required for Maximum 35% Bonus |
| Very Low Income                           | 5%                     | 20%           | 2.5%  | 11%   |
| Low Income                                | 10%                    | 20%           | 1.5%  | 20%   |
| Moderate Income (Condo or PD only)        | 10%                    | 5%            | 1%  | 40%   |
| Senior Citizen Housing Development        | 100%                   | 20%           | --  | --  |

In addition, a project meeting the affordability standards described above are entitled to up to three additional incentives or concessions as listed in section 18.78.080. The resulting density bonus for each incentive/concession is summarized in Table II-25.

| Table II-25 - Incentives/Concessions Summary Table |              |     |     |
|--|--------------|-----|-----|
| Target Group                                       | Target Units |     |     |
| Very Low Income                                    | 5%           | 10% | 15% |
| Low Income   | 10%          | 20% | 30% |
| Moderate Income (Condo or PD only)                 | 10%          | 20% | 30% |
| Maximum Incentive(s)/Concession(s)                 | 1            | 2   | 3   |

Note: A concession or incentive may be requested only if an application is also made for a density bonus, except for child care facilities pursuant to section 18.78.050.

The ordinance also provides incentives for the construction of senior housing and child care establishments, which are important needs in Patterson.

### Inclusionary Requirements

The City has been requiring the inclusion of affordable housing in new large-scale residential development projects through conditions of approval and through development agreements. Under these so-called inclusionary requirements which were codified in Chapter 3.60 of the Patterson Municipal Code, a project proponent must either 1) provide affordable units as part of the market rate units, or 2) pay an in-lieu fee (\$20,946). Under these requirements, affordable units must be dispersed throughout the market rate products and the developer must provide a plan for the timing of their construction. The conditions establish income thresholds for qualifying buyers/renters, and allow the developer to pay the fee as a lump sum or with each individual dwelling unit building permit.

Historically, developers opted to pay the in-lieu fee rather than construct the units because: 1) until the fee was revised significantly upward in March, 2006 it was low compared with the other 'soft costs' associated with home construction in Patterson, and 2) it is much easier to satisfy. The previous fee was not sufficient to cover the actual affordability gap between the cost of a median priced home and the amount affordable to low income households. In 2006, the City rescinded the development impact fee for affordable housing in favor of a separate inclusionary ordinance which sets forth the following:

- At least 15 percent of all newly constructed units shall be affordable to low- very-low or moderate income households. This percentage is arbitrary and should be chosen with some sense of the profitability of the market-rate units to subsidize the affordable units;
- The ordinance sets inclusionary requirements for owner-occupied and rental units;

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- The affordable units must be constructed concurrently with the market rate units;
- The ordinance provides options for constructing the units on-site, which include:
  - Construction off-site;
  - Dedication of land of an equivalent value to the units;
  - Payment of an in-lieu fee;
- The ordinance provides incentives to promote the production of affordable housing;
- The ordinance exempts certain types of projects, such as projects of six units or less, or those located on 4 or fewer acres.

## Findings

- Patterson's housing stock has historically been composed primarily of single-family homes; this has become increasingly so throughout the 1980s and 1990s as single-family units have come to represent over three quarters (84 percent) of the city's total units in 2000.
- Since 1999, Patterson has experienced dramatic annual growth rates, ranging from a 7 to 10 percent per year increase in the number of housing units each year. These totals far surpassed the growth rates of the county for the same years.
- Patterson's dramatic housing stock growth is attributable almost exclusively to residential demand created by commuters to East Bay employment centers.
- Total growth in the number of housing units in Patterson has roughly paralleled population growth between 1980 and 2007, although housing has lagged slightly behind population growth.
- In 2000, Patterson's renter/owner mix was lower than Stanislaus County's and California's.
- Patterson's vacancy rate has fluctuated over the years. In 2000 it was 3.8 percent.
- According to the 2000 Census, 20.6 percent of Patterson's occupied housing units were overcrowded. This was significantly higher than either the countywide rate of 13.8 percent or the statewide rate of 15.2 percent.
- Despite the generally good visual appearance of Patterson's housing, it is likely that a significant number of units are in need of at least some minor rehabilitation, if only because of the age of the units.
- Patterson had a much higher incidence of low income overpayment in 2000 than either the county or the state.
- Based on estimates provided by the Stanislaus County Housing Authority, it appears that Patterson is housing a disproportionately large number of farmworkers.
- The Stanislaus County Housing Authority provides temporary shelter (overnight) for individuals considered homeless.
- The median sales price for a home in Patterson in 2008 was \$200,000. This was drastically lower than \$420,000, the median sales price in 2007.

- Dramatic growth in the last few years has nearly exhausted Patterson's supply of residentially-zoned land. To continue residential growth, the City will need to annex additional land.

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## GLOSSARY

**Condominium** - Ownership that enables a person to own an apartment or house in a development of similar units and hold a common or joint-ownership in common areas. hallways, entrances, elevators, etc. The owner has a deed to the individual unit, and very likely a mortgage on the unit. and also holds a common or joint ownership in all common areas, such as grounds, lobbies, and elevators. A condominium unit need not be occupied by the owner to be counted as such.

**Contract Rent** - The monthly rent agreed to, or contracted for, regardless of any furnishings, utilities, or services that may be included.

**Dwelling Unit** - One (1) or more habitable rooms which are designed to be occupied by one (1) family with facilities for living, sleeping, cooking, eating, and sanitation.

**Family** - Two or more persons, including the householder, who are related by birth, marriage, or adoption, and who live together as one household.

**Gross Rent** - Contract rent plus the estimated average monthly cost of utilities (water, electricity, gas) and fuels (oil, coal, kerosene, wood, etc.) to the extent that these are paid for by the renter (or paid for by a relative, welfare agency, or friend) in addition to the rent

**Household** - The person or persons occupying a housing unit.

**Housing Units** - A house, apartment, mobile home or trailer, group of rooms, or single room occupied as a separate living quarter or, if vacant, intended for occupancy as a separate living quarter. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building, or through a common hall.

**In come Levels** - Income categories are defined with respect to the area or county median income and are adjusted for household size, as follows:

Very Low Income - Less than 50% of the area of county median income.

Low Income - Between 51% and 80% of the county median income.

Moderate Income - Between 81% and 120% of the county median income.

Above Moderate Income - Above 120% of the county median income.

**Mean** - The average of a range of numbers.

**Median** - The mid-point in a range of numbers.

**Multifamily Dwelling Unit** - A building or portion thereof designed for or occupied by two (2) or more families living independently of each other, including duplexes, triplexes, fourplexes, apartments, and condominiums.

## II. HOUSING

Overcrowding - Households or occupied housing units with 1.01 or more persons per room.

Single Family Dwelling - A building or buildings designed for or occupied exclusively by one (1) family, excluding a mobile home. Includes both detached and attached (townhouses) single family units.

Year-round Housing Units - All occupied units plus vacant units intended for year-round use, but excluding vacant units held for seasonal use or migratory labor.

# III. POPULATION & DEMOGRAPHICS

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## Introduction

If a city is to effectively establish land use patterns and set policies regarding housing, public facilities, and services, it must first have a clear understanding of who lives in the community and how the population has changed and is expected to change in the future.

This chapter reviews historical population trends, current demographics, and population projections for the city of Patterson. Much of the information contained in this chapter is taken from the 2000 Census. Recent studies prepared by the City and by the Stanislaus Council of Governments are also described.

## Historical Population Growth

Patterson's most dramatic historical population growth has occurred in two distinct periods, between 1986 and 1990, and between 2000 and 2007, as shown on Figures III-1 and III-2. Recent large-scale developments approved by the City suggest that this most recent increase in population growth rate is likely to continue for the next several years. Since 2000, the City's average annual population growth rate was 8 percent per year.

The dramatic increase in population continues to be attributable to persons employed in the Bay Area who move to Patterson for its more affordable housing, while continuing to commute long distances to work. Census data from 2000 indicate that 36 percent of person employed outside the home travel more than 45 minutes to their place of work.

Table III-1 and Figure III-2 show how the populations of Patterson, the County, and the State have grown since 1986. Fueled largely by the demand for more affordable housing, and a willingness to commute long distances to work, Patterson's population growth rate since 2000 has greatly exceeded that of the County and State.

| Table III-1: Historical Population Growth Rates<br>Patterson, Stanislaus County & California<br>1986 to 2008 |           |            |                   |            |            |            |
|--|-----------|------------|-------------------|------------|------------|------------|
| Year   | Patterson |            | Stanislaus County |            | California |            |
|  | Total     | % Increase | Total             | % Increase | Total      | % Increase |
| 1986   | 4,973     | 4.0        | 308,778           | 2.9        | 26,637,000 | 3          |
| 1987   | 5,695     | 14.5       | 320,645           | 3.8        | 27,292,349 | 2.5        |
| 1988   | 6,702     | 17.7       | 333,199           | 3.9        | 28,018,710 | 2.7        |
| 1989   | 7,574     | 13.0       | 347,506           | 4.3        | 28,662,249 | 2.3        |
| 1990   | 8,689     | 14.7       | 369,027           | 6.2        | 29,473,399 | 2.8        |
| 1991   | 8,982     | 3.4        | 383,322           | 3.9        | 30,351,029 | 3.0        |
| 1992   | 9,300     | 3.5        | 392,700           | 2.4        | 31,150,000 | 2.6        |
| 1993   | 9,400     | 1.1        | 401,600           | 2.3        | 31,418,000 | 0.9        |
| 1994   | 9,650     | 2.7        | 408,300           | 1.7        | 31,617,000 | 0.6        |
| 1995   | 9,750     | 1.0        | 413,000           | 1.2        | 31,837,000 | 0.7        |
| 1996   | 9,925     | 1.8        | 417,500           | 1.1        | 32,207,000 | 1.2        |
| 1997   | 10,150    | 2.3        | 423,200           | 1.4        | 32,657,000 | 1.4        |
| 1998   | 10,300    | 1.5        | 429,100           | 1.4        | 33,140,000 | 1.5        |
| 1999   | 10,850    | 5.3        | 436,100           | 1.6        | 33,753,000 | 1.8        |
| 2000   | 11,606    | 7.0        | 445,900           | 2.2        | 33,871,648 | 0.4        |
| 2001   | 12,225    | 5.3        | 446,997           | 0.2        | 34,441,561 | 1.7        |
| 2002   | 13,092    | 7.1        | 458,612           | 2.6        | 35,088,671 | 1.9        |
| 2003   | 13,750    | 5.0        | 472,654           | 3.1        | 35,691,534 | 1.7        |
| 2004   | 14,257    | 3.7        | 484,496           | 2.5        | 36,252,878 | 1.6        |
| 2005   | 16,187    | 13.5       | 494,747           | 2.1        | 36,743,186 | 1.4        |
| 2006   | 19,269    | 19.0       | 513,441           | 3.8        | 37,195,240 | 1.2        |
| 2007   | 20,857    | 8.2        | 521,497           | 1.6        | 37,662,518 | 1.3        |
| 2008   | 21,229    | 1.8        | 525,903           | 0.8        | 38,049,462 | 1.0        |

Source: California Department of Finance

Figure III-1: Historical Population Growth Rates

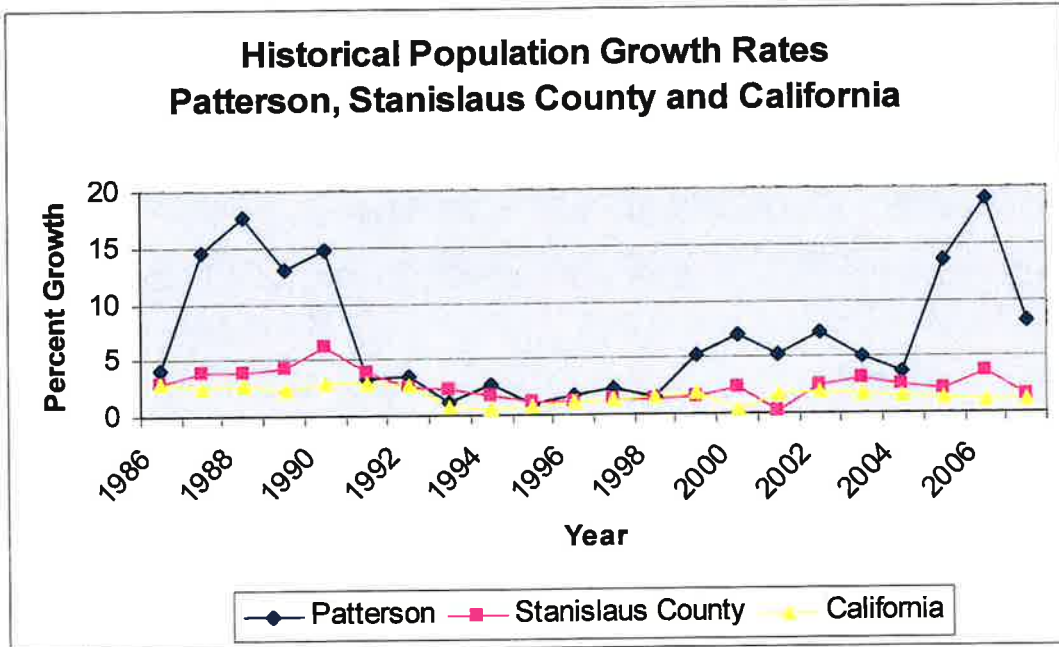
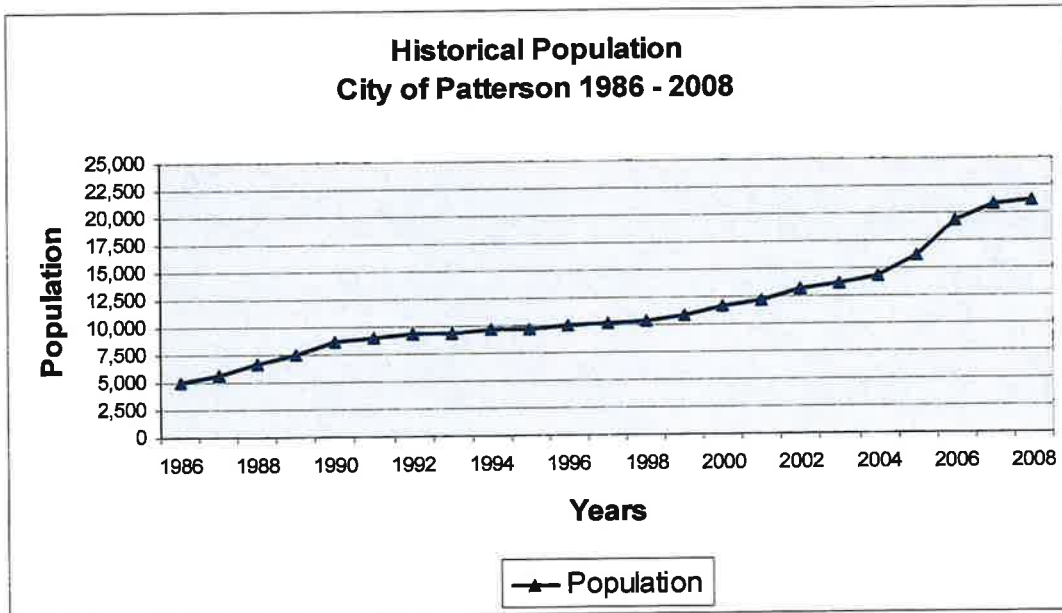


Figure III-2: Historical Population for the City of Patterson 1986 to 2008



## Population Characteristics

### Age Distribution

Age structure is a particularly important planning consideration because different age segments of the population require different kinds of services. A younger population will likely demand more opportunities for active recreation, whereas an older population will likely be more interested in passive recreational facilities. Different age groups also require different considerations when it comes to housing. An older population will generally have less need for the type of large housing units that a population with a large number of residents of child-bearing age will need. Table III-2 shows the age distribution of Patterson's population as reported in the 2000 Census.

| Table III-2: Age Profiles<br>State, County and City of Patterson, 2000 |            |         |                   |         |           |         |
|--|------------|---------|-------------------|---------|-----------|---------|
| Age  | California |         | Stanislaus County |         | Patterson |         |
|  | Total      | Percent | Total             | Percent | Total     | Percent |
| 18 years and younger   | 9,249,829  | 27.3    | 138,125           | 31.2    | 4,225     | 36.0    |
| 21 years and over  | 23,146,248 | 68.3    | 287,404           | 64.3    | 6,824     | 58.8    |
| 62 years and over  | 4,253,854  | 12.6    | 55,178            | 12.3    | 1,002     | 8.6     |
| 65 years and over  | 3,595,658  | 10.6    | 46,697            | 10.4    | 840       | 7.2     |

Source: US Census, 2000

Table III-2 shows that the age structure of Patterson differed slightly from those of the county and the state in 2000. The most notable distinction is the significantly higher percentage of residents under age 18 in Patterson. Whereas 36.0 percent of Patterson's population was under 18, only 31.2 percent of the county's and 27.0 percent of the State's were. Patterson also has slightly fewer elderly residents as a percentage of the population as does the County and State.

**Racial and Ethnic Composition**

Table III-3 compares the ethnic subgroups of the population for Patterson with Stanislaus County and California in 2000. As Table III-3 shows, Patterson differed significantly from both the county and the state in 2000. The overwhelming distinction was the percentage of residents identifying themselves as Hispanic or Latino (57 percent) compared with Stanislaus County's 31.8 percent and California's 32.4 percent.

| Table III-3: Ethnic Composition<br>State, County and City of Patterson, 2000 |            |         |                   |         |           |                      |
|--|------------|---------|-------------------|---------|-----------|----------------------|
| Race   | California |         | Stanislaus County |         | Patterson |                      |
|  | Total      | Percent | Total             | Percent | Total     | Percent <sup>3</sup> |
| Total Population:  | 33,871,648 | 100.0   | 446,997           | 100.0   | 11,606    | 100.0                |
| White <sup>1</sup>   | 20,170,059 | 59.55   | 309,901           | 69.33   | 6,459     | 55.65                |
| Black or African American <sup>1</sup>                                       | 2,263,882  | 6.68    | 11,521            | 2.58    | 219       | 1.89                 |
| American Indian and Alaska Native <sup>1</sup>                               | 333,346    | 0.98    | 5,676             | 1.27    | 171       | 1.47                 |
| Asian <sup>1</sup>   | 3,697,513  | 10.92   | 18,848            | 4.22    | 244       | 2.10                 |
| Native Hawaiian and Other Pacific Islander <sup>1</sup>                      | 116,961    | 0.35    | 1,529             | 0.34    | 49        | 0.42                 |
| Hispanic Or Latino <sup>2</sup>  | 10,966,556 | 32.4    | 141,871           | 31.7    | 6,611     | 57.0                 |

Source: US Census, 2000

Notes:

1. Census respondents who considered their ethnicity to be a single race.
2. Census respondents who considered their ethnicity to be Hispanic Or Latino versus Not Hispanic or Latino.
3. Percentages exceed 100 due to Census respondents who considered their ethnicity to be a combination of more than one race, and therefore are included in more than one category.

**Household and Family Composition**

Table III-4 shows a breakdown of family composition according to the 2000 Census for Patterson. As the table indicates, Patterson had a much higher percentage of married-couple families with children under age 18 (42.2 percent) than either the county (29.6 percent) or the State (26.0 percent). The city also had a low percentage of householders who live alone (13.4 percent) than the County (19.4 percent) or the State (23.5 percent).

| Table III-4: Household Composition<br>State, County and City of Patterson, 2000 |            |         |                   |         |           |         |
|---|------------|---------|-------------------|---------|-----------|---------|
| Household By Type   | California |         | Stanislaus County |         | Patterson |         |
|   | Total      | Percent | Total             | Percent | Total     | Percent |
| Total Households  | 11,502,870 | 100     | 145,146           | 100     | 3,146     | 100     |
| Family households (families)  | 7,920,049  | 68.9    | 109,517           | 75.5    | 2,608     | 82.9    |
| With own children under 18 years  | 4,117,036  | 35.8    | 59,819            | 41.2    | 1,670     | 53.1    |
| Married-couple family   | 5,877,084  | 51.1    | 81,323            | 56      | 2,043     | 64.9    |
| With own children under 18 years  | 2,989,974  | 26      | 42,984            | 29.6    | 1,327     | 42.2    |
| Female householder, no husband present  | 1,448,510  | 12.6    | 19,859            | 13.7    | 382       | 12.1    |
| With own children under 18 years  | 834,716    | 7.3     | 12,176            | 8.4     | 234       | 7.4     |
| Nonfamily households  | 3,582,821  | 31.1    | 35,629            | 24.5    | 538       | 17.1    |
| Householder living alone  | 2,708,308  | 23.5    | 28,211            | 19.4    | 422       | 13.4    |
| Householder 65 years and over   | 892,207    | 7.8     | 11,408            | 7.9     | 220       | 7       |

Source: US Census, 2000

### Place of Residence

Table III-5 shows the number of people who moved to another house between 1995 and 2000. The percentage of Patterson residents who found new lodging is nearly identical to the figures for the County and State, which reinforces the notion that residents of California continue to be fairly mobile with regard to housing.

| Table III-5: Changes in Place of Residence,<br>State, County and City of Patterson, 1995 and 2000 |            |                   |           |
|---|------------|-------------------|-----------|
|   | California | Stanislaus County | Patterson |
| Total Population Sampled  | 31,416,629 | 411,833           | 10,453    |
| Same house in 1995  | 15,217,970 | 209,340           | 5,314     |
| Different house in 1995:  | 15,145,526 | 202,493           | 5,139     |

Source: US Census, 2000

### Population Projections

Population projections form the basis for almost all planning activities. Community planning can, therefore, only be as effective as the ability of local officials to anticipate population growth. Population growth in Patterson and Stanislaus County was relatively moderate until 1986 when the demand for residential development in the San Joaquin Valley began to accelerate, fueled by skyrocketing housing prices in the San Francisco Bay area. Although job growth in the area has improved considerably since the early 1990s, the 2000 Census continues to show a willingness of Patterson residents to commute long distances to work. Although the real estate

market is cyclical and subject to the same fluctuations as the local, State and national economies, the lifestyle and more affordable housing enjoyed in Patterson continue to attract new residents.

Population forecasting is a complicated undertaking, and responsible planning requires that the City be prepared to meet the needs of its present and future population by providing sufficient land for housing, schools, shopping, and jobs, among others. However, for purposes of updating the General Plan, we are not so much concerned with *predicting* the future population as we are with making an *informed choice* about the future size of the City, based in part on what might be expected.

Accordingly, forecasting the population growth rate for the City involves a certain degree of speculation. Factors that will affect future population growth and housing demand include:

- Housing costs, both within the City, in surrounding communities and in the San Francisco Bay area;
- The supply of housing and the variety of product types;
- Employment opportunities, and the income levels supported by local and regional jobs;
- Regulatory factors such as growth control measures in other jurisdictions and the regional fair-share housing allocations by the State;
- Infrastructure and environmental constraints.

### **Estimates of Future Population**

One way to estimate future population growth is to assume that past growth trends will continue into the future. As shown in Table III-1, the City grew at an average annual rate of about 6 percent from 1990 to 2008. If that rate continues into the future, the City's population in 2030 is estimated to be about 75,000 residents, assuming sufficient land is provided for housing and other land uses. The City's current General Plan designates sufficient land to accommodate about 33,000 residents at buildout, which would be reached in about eight years (around 2015), at 6 percent growth per year. To accommodate population growth beyond 2015 a 6 percent per year annual growth rate would require the designation of additional land for urban development.

More recently, the City grew at an average annual rate of about 8 percent per year from 2000 to 2008. Under this scenario, the City's population in 2030 could be as much as 113,000, and buildout of the current General Plan would occur in about five years (around 2012). To accommodate future growth at 8 percent beyond 2012 would require significantly more land for urban development.

And lastly, Stanislaus County as a whole grew at an average annual rate of about 2.3 percent from 1990 to 2008. In January, 2007, the Stanislaus Council of Governments (StanCOG) prepared projections of population, households and employment for Stanislaus County to be used for planning

purposes, especially as it relates to transportation and housing. StanCOG estimates that, based on a variety of factors, the County population as whole will increase by about 84 percent between 2001 and 2030 to reach a countywide population of 821,963 (Table III-6). This translates to an annual growth rate of about 2.2 percent, or about the same rate as the period between 1990 and 2007. If the City grows at a rate comparable to that predicted for the County as whole (2.3 percent per year), it would reach a population of about 34,000 in 2030 or slightly greater than the buildout population accommodated by the current General Plan.

| <b>Topic</b>             | <b>2001</b> | <b>2030</b> | <b>Percent Change</b> |
|--------------------------|-------------|-------------|-----------------------|
| Population               | 446,997     | 821,963     | +84%                  |
| Single Family Households | 106846      | 191300      | +79%                  |
| Multi-Family Households  | 38300       | 72500       | +89                   |
| Employment               | 174066      | 296940      | +71                   |

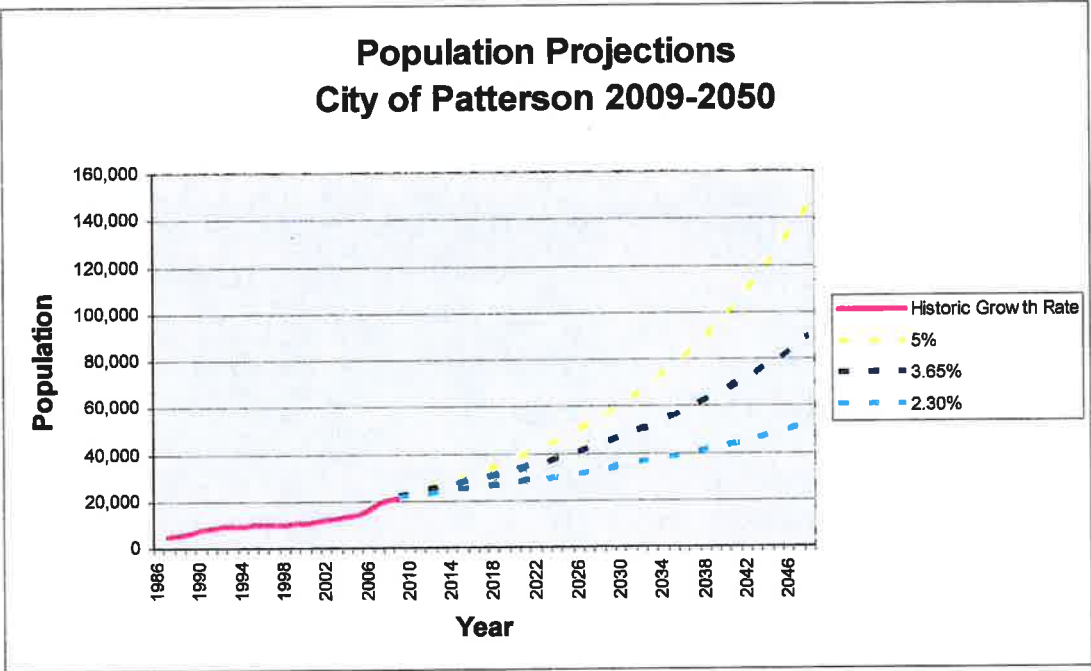
Source: Stanislaus Association of Governments, 2007

Three population projections (for the period of 2009-2050) for the City are summarized in Table III-7 and illustrated by Figure III-3. The first is with the County's growth rate of 2.3%, the second is 5%, a growth rate at the upper end of the scale of probability, and 3.65%, the mid-point between the two.

| <b>Year</b> | <b>2.3% Annual Growth Rate</b> | <b>3.65% Annual Growth Rate</b> | <b>5% Annual Growth Rate</b> |
|-------------|--------------------------------|---------------------------------|------------------------------|
| 2009        | 21,337                         | 22,004                          | 21,900                       |
| 2010        | 21,827                         | 22,807                          | 22,995                       |
| 2015        | 24,456                         | 27,284                          | 29,348                       |
| 2020        | 27,401                         | 32,641                          | 37,456                       |
| 2025        | 30,700                         | 39,049                          | 47,805                       |
| 2030        | 34,397                         | 46,715                          | 61,012                       |

Source: CMCA, 2008, Stanislaus Association of Governments, 2007

Figure III-3: Population Projections



## Findings

- Patterson's most dramatic historical population growth has occurred in two distinct periods, between 1986 and 1990, and between 2000 and 2007. Since 2000, the City's average annual population growth rate was approximately 8 percent per year.
- The age structure of Patterson differed slightly from those of the county and the state in 2000. The most notable distinction is the significantly higher percentage of residents under age 18 in Patterson. Patterson also had slightly fewer elderly residents as a percentage of the population as the County and State.
- Patterson differed significantly from both the county and the state in 2000 with regard to ethnic composition. The overwhelming distinction was the percentage of residents identifying themselves as Hispanic or Latino (57 percent) compared with Stanislaus County's 31.8 percent and California's 32.4 percent.
- In 2000, Patterson had a much higher percentage of married-couple families with children under age 18 (42.2 percent) than either the county (29.6 percent) or the State (26.0 percent). The city also had a low percentage of householders who live alone (13.4 percent) than the County (19.4 percent) or the State (23.5 percent).
- Between 1995 and 2000, the percentage of Patterson residents who found new lodging was nearly identical to the figures for the County and State, which reinforces the notion that residents of California continue to be fairly mobile with regard to housing.
- From 1990 to 2007, the City's population grew at an average annual rate of about 6 percent per year. If that rate continues into the future, the City's population in 2030 is estimated to be about 75,000 residents.
- The City's current General Plan designates sufficient land to accommodate about 33,000 residents at buildout, which would be reached in about eight years (around 2015) at 6 percent growth per year. To accommodate population growth beyond 2015 at a 6 percent per year annual growth rate (or at a slightly more realistic 5 percent growth rate) would require the designation of additional land for urban development.
- StanCOG estimates that the County population will increase by about 2.2 percent per year between 2001 and 2030 to reach a countywide population of 821,963, or about the same rate as the period between 1990 and 2007. If the City grows at a rate comparable to that predicted for the County as whole (2.3 percent per year), it would reach a population of about 34,000 in 2030, or slightly greater than the buildout population accommodated by the current General Plan.

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# IV. Economic & Fiscal Considerations

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## Introduction

Long-range city development plans must consider market factors and trends as well as the fiscal capabilities of the city. This chapter reviews the general economic and employment characteristics of Patterson, discusses market factors and trends, and assesses the City's fiscal capacity to accommodate further development.

## Economic Conditions

The current and future economic health of a community depends in part on the amount, timing, and location of future development. Local, regional, and national economic and market conditions play an important role in determining the direction of local development.

## Economic and Employment Characteristics

Table IV-1 compares 1990 US Census for employment by industry with year 2000 data, the most recent data available. Table IV-1 indicates that the distribution of employment by industries in 2000 to be more evenly distributed among several industry groups, when compared to 1990, representing a continued shift of employment toward service industries and away from manufacturing and farming. For example, the percentage of the workforce employed in manufacturing dropped from 21% in 1990 to about 11% in 2000. Likewise, the percentage employed in professional, scientific and management positions nearly doubled. The percentage of residents employed in the retail trade dropped from about 16% to about 11% in 2000.

The shift toward a service-oriented economy is further revealed in data relating to occupations (Table IV-2). As Table IV-2 shows, the percentage of residents whose occupation is considered management, professional and related occupations, increased from 15% in 1990 to about 25% in 2000, while the percentage of residents occupied in the production, transport and movement of materials decreased by about 7% from 1990 to 2000.

| Table IV-1: Employment By Industry<br>City of Patterson, 1990 and 2000              |               |      |         |       |
|---|---------------|------|---------|-------|
| Industry  | Total Workers |      | Percent |       |
|   | 1990          | 2000 | 1990    | 2000  |
| Agriculture, forestry, fishing and hunting, and mining                              | 342           | 428  | 10.5%   | 10.0% |
| Construction  | 312           | 443  | 9.6%    | 10.4% |
| Manufacturing   | 687           | 488  | 21.0%   | 11.4% |
| Wholesale trade   | 110           | 267  | 3.4%    | 6.2%  |
| Retail trade  | 546           | 489  | 16.7%   | 11.4% |
| Transportation and warehousing, and utilities                                       | 249           | 234  | 7.6%    | 5.5%  |
| Information   | 0             | 129  | 0.0%    | 3.0%  |
| Finance, insurance, real estate, and rental and leasing                             | 135           | 117  | 4.1%    | 2.7%  |
| Professional, scientific, management, administrative, and waste management services | 158           | 370  | 4.8%    | 8.7%  |
| Educational, health and social services   | 391           | 713  | 12.0%   | 16.7% |
| Arts, entertainment, recreation, accommodation and food services                    | 15            | 390  | 0.5%    | 9.1%  |
| Other services (except public administration)                                       | 148           | 129  | 4.5%    | 3.0%  |
| Public administration   | 173           | 80   | 5.3%    | 1.9%  |

Source: US Census, 1990 and 2000  
Notes: Employed persons 16 years and older.

| Table IV-2: Employment By Occupation<br>City of Patterson   |               |       |         |       |
|---|---------------|-------|---------|-------|
| Occupation  | Total Workers |       | Percent |       |
|   | 1990          | 2000  | 1990    | 2000  |
| Management, professional, and related occupations           | 513           | 1,087 | 15.6%   | 25.4% |
| Service occupations   | 375           | 565   | 11.4%   | 13.2% |
| Sales and office occupations                                | 908           | 905   | 27.6%   | 21.2% |
| Farming, fishing, and forestry occupations                  | 318           | 374   | 9.7%    | 8.7%  |
| Construction, extraction, and maintenance occupations       | 452           | 676   | 13.7%   | 15.8% |
| Production, transportation, and material moving occupations | 722           | 670   | 22.0%   | 15.7% |

Source: US Census, 1990 and 2000  
Notes: Employed persons 16 years and older.

### Major Employers in Patterson

As shown in Table IV-3, Patterson Frozen Foods, with 725 employees, is Patterson's major employer. Other large employers include Designed Mobile

Systems, which employs 130 people, and Office Space Incorporated, which employs 41 people.

| Table IV-3: Major Employers in Patterson |                             |                |
|--|-----------------------------|----------------|
| Name of Company                          | Product Type                | # of Employees |
| Manufacturing                            |                             |                |
| Patterson Frozen Foods                   | Frozen Produce              | 725            |
| Designed Mobile Systems, Inc.            | Modular Buildings           | 130            |
| John Potter Specialty Foods              | Fruit & Nut Processor       | 100            |
| Bonacich Orchards                        | Sun Dried Tomatoes/Apricots | 250            |
| Traina Dried Fruits                      | Sun Dried Tomatoes/Fruits   | 192            |
| Non-Manufacturing                        |                             |                |
| Lucich-Santos Farms                      | Fruit Packer                | 158            |
| Patterson Unified School District        | Educational District        | 376            |
| Diablo Grande                            | Golf Resort & Restaurant    | 137            |
| Juan Salinas Labor Contractor            | Agri-Business Contractor    | 100            |
| Saul Banda Labor Contractor              | Agri-Business Contractor    | 100            |
| Pacific Sod                              | Turf Grass                  | 51             |
| Save Mart Supermarket                    | Retail Grocer               | 77             |
| City of Patterson                        | Municipal Government        | 52             |

Source: City of Patterson, 2006

An analysis of employment trends in Patterson shows that the local business and job market have been moving from a primarily retail to a service orientation.

### The Ratio of Jobs to Housing

There are considerable advantages to achieving and maintaining a ratio of jobs to housing that approaches 1.0 job per household in a community. In October, 2006, an estimate prepared City staff concluded there were 3,914 jobs in Patterson. According to the Department of Finance, there were 5,932 dwelling units in January, 2007 which makes the jobs to housing ratio about 0.66. A ratio less than 1.0 means there are more dwellings than jobs in Patterson, which could result in employed persons leaving the City each day for work. Since the vast majority of these commute trips are by private motor vehicle, the result is increased air pollution, traffic, and noise, and a loss of the day-time expenditures of employees for such things as food, and entertainment.

### Commercial Development

Commercial development in Patterson has focused on fulfilling the needs of local residents. Until the late 1990s, the population in Patterson was not large enough to support specialty stores. Accordingly, Patterson continues to

experience substantial commercial sales "leakage" to Modesto and other larger towns where selection is better and where prices are more competitive.

Commercial development in Patterson began to increase as the City's population grew in the late 1990s. A 100,000 square foot commercial center was constructed at Ward and Sperry Avenue (Patterson Marketplace) which includes a grocery store, fast food restaurants and smaller commercial spaces. The Patterson Marketplace was expanded on vacant land to the north in 2002. In 2005 a 163,000 square foot commercial center (Patterson Plaza) was approved on vacant land at the southwest corner of Ward Avenue and Sperry Avenue (Patterson Plaza). Plans for another large-scale commercial center are currently under review by the City. And lastly, in 2006 the City approved the Villages of Patterson project which includes 100,000 square feet of neighborhood-serving commercial development. Should all of these projects be constructed, it would dramatically increase the commercial floor area and range of local retail outlets serving Patterson Residents.

| <b>Project</b>                          | <b>Total Floor Area (square feet)</b> | <b>Year Of Construction/Approval</b> | <b>Status in 2007</b>                  |
|---|---------------------------------------|--------------------------------------|--|
| Patterson Marketplace                   | 102,000                               | 2000                                 | 67,345 sq. ft. complete                |
| TruValue Hardware                       | 46,650                                | 2003                                 | 28,300 sq. ft. complete                |
| Patterson Plaza                         | 163,000                               | 2006                                 | Approved but not constructed           |
| The Villages                            | 100,000                               | 2006                                 | Approved but not constructed           |
| Walgreen's Drug Store/Mahaffey Property | +/- 200,000                           | n/a                                  | Preliminary plans under review by City |
| Sub-Total:                              | 611,650                               | n/a                                  |  |
| Existing Commercial Floor Area In 2007  | 2,200,000                             | n/a                                  |  |
| <b>TOTAL:</b>                           | <b>2,800,000</b>                      |                                      |  |

Source: CMCA and City of Patterson, 2007

### **Taxable Sales**

Taxable retail sales for Patterson for 2000 to and 2006 are presented in Table IV-5. Retail outlets include businesses and personal service shops; most grocery store food sales are not included because their sales are generally not taxable. "All outlets" are defined as manufacturers and wholesalers, construction contractors; and part-time operators.

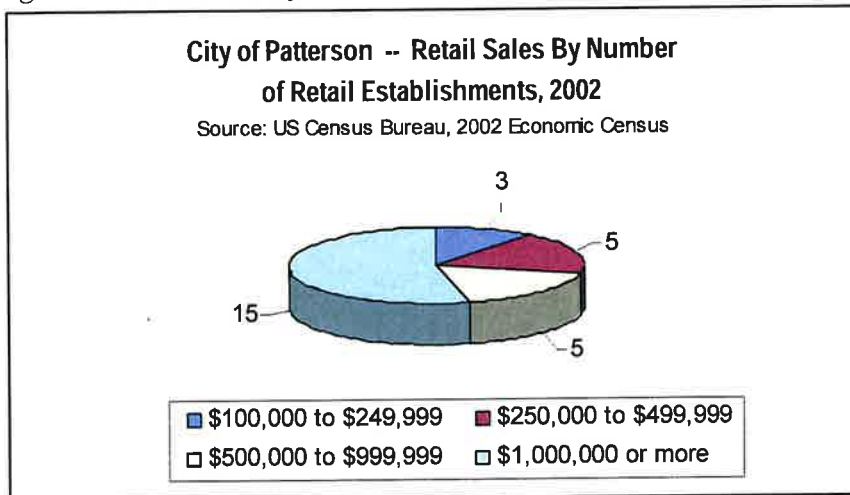
Taxable sales by Patterson's businesses increased from approximately \$26 million in 2000 to approximately \$70 million in 2006. Much of the increase in retail sales can be attributed to the rising population, but also to the

significant increase in floor space for retail businesses constructed during the same period, as shown in Table IV-4, above. As shown on Figure IV-1, over one-half of the Patterson businesses surveyed by the 2002 Economic Census generated retail sales of over \$1 million.

| Table IV-5: Value of Taxable Retail Transactions<br>City of Patterson, 2000 and 2006 |              |              |
|--|--------------|--------------|
| Category   | 2000         | 2006         |
| All Outlets  | \$25,999,000 | \$70,313,000 |
| Retail Outlets only  | \$20,989,000 | \$52,833,000 |

Source: California State Board of Equalization

Figure IV-1: Retail Sales by Number of Retail Establishments, 2002



### Retail Supply and Demand

In 2008, a Retail Site Determination was prepared for the City of Patterson to assess the retail potential of three different sites within the city. The following section describes how this was done and the results of the study.

One of the first steps in analyzing an area’s retail market is to determine whether “leakage” or “capture” of retail sales is occurring. Leakage would occur if there were insufficient retail space to meet the shopping needs of Patterson residents, which would result in retail dollars “leaking” outside the City as shoppers go elsewhere to consume the goods and services they demand. On the contrary, capture would occur if there is an excessive amount of retail space to meet the shopping needs of Patterson residents—combined with a lack of retail space in surrounding areas—which would result in retail dollars being “captured” from areas outside the City as shoppers from surrounding areas come to Patterson.

**Retail Demand**

Retail expenditure potential is a measure of an area's ability to support existing and future retail establishments. As such, analyzing the amount of retail expenditure in the City is the first step in determining its total potential retail demand.

Using data from the Retail Site Determination of August, 2008, assumptions for total retail demand are presented in Table IV-6. Table IV-7 presents the estimated demand by retail sales category based on spending habits that assume total expenditures per household account for approximately 38% of household income.

The analysis was performed for three sites with ten-minute trade areas (driving ranges), from 1) Sperry Avenue and Rogers Road, 2) Ward Avenue and Sperry Avenue, and 3) the downtown plaza. The study captures the extent to which potential demand for goods and services are being met within the trade areas.

| Table IV-6: 10-Minute Trade Area Statistics |               |               |               |
|---|---------------|---------------|---------------|
| Factors                                     | Site 1        | Site 2        | Site 3        |
| Estimated Households (2007)                 | 5,253         | 5,309         | 5,309         |
| Average Household Income                    | \$65,241      | \$65,845      | \$65,845      |
| Total Demand                                | \$229,330,920 | \$241,623,143 | \$239,847,918 |
| Total Supply                                | \$158,844,066 | \$157,749,544 | \$156,262,571 |
| Leakage                                     | \$70,486,854  | \$83,873,599  | \$83,585,347  |

Source: Buxton CommunityID, 2008

| Table IV-7: Leakage and Surplus By Retail Sales Category |   |       |                               |       |                               |       |
|--|---|-------|-------------------------------|-------|-------------------------------|-------|
| Retail Sales Category                                    | Potential Sales/Actual Sales and the Leakage/Surplus Index <sup>1</sup> |       |                               |       |                               |       |
|  | Site 1  | Index | Site 2                        | Index | Site 3                        | Index |
| Motor Vehicle & Parts Dealers                            | \$44,102,974/<br>\$23,041,648   | 0.52  | \$46,659,482/<br>\$23,063,080 | 0.49  | \$46,288,116/<br>\$22,810,506 | 0.49  |
| Furniture & Home Furnishings                             | \$5,903,181/<br>\$590,273   | 0.10  | \$6,197,064/<br>\$641,367     | 0.10  | \$6,155,397/<br>\$647,044     | 0.11  |
| Electronics & Appliances                                 | \$5,622,181/<br>\$3,824,318   | 0.68  | \$5,904,183/<br>\$4,274,053   | 0.72  | \$5,863,115/<br>\$4,257,396   | 0.73  |
| Building Materials & Garden Equipment                    | \$25,158,539/<br>\$33,912,719   | 1.35  | \$26,326,903/<br>\$34,835,895 | 1.32  | \$26,168,295/<br>\$34,350,166 | 1.31  |
| Food & Beverage  | \$29,046,150/<br>\$31,445,537   | 1.08  | \$30,606,243/<br>\$31,537,431 | 1.03  | \$30,375,993/<br>\$31,467,658 | 1.04  |
| Health & Personal Care                                   | \$9,647,980/<br>\$7,665,713   | 0.79  | \$10,210,623/<br>\$7,665,713  | 0.75  | \$10,130,970/<br>\$7,665,713  | 0.76  |
| Clothing & Clothing Accessories                          | \$11,776,429/<br>\$1,547,901  | 0.13  | \$12,327,520/<br>\$1,547,901  | 0.13  | \$12,245,230/<br>\$1,547,901  | 0.13  |
| Sporting Goods, Hobby, Books, & Music                    | \$4,453,918/<br>\$1,456,877   | 0.33  | \$4,670,393/<br>\$1,456,877   | 0.31  | \$4,638,902/<br>\$1,456,877   | 0.31  |

|                        |                                 |      |                                 |      |                                 |      |
|------------------------|---------------------------------|------|---------------------------------|------|---------------------------------|------|
| General Merchandise    | \$28,626,059/<br>\$3,245,087    | 0.11 | \$30,094,429/<br>\$2,784,620    | 0.09 | \$29,880,635/<br>\$2,621,904    | 0.09 |
| Miscellaneous Retail   | \$5,581,448/<br>\$8,841,786     | 1.58 | \$5,885,109/<br>\$8,876,163     | 1.51 | \$5,842,511/<br>\$8,874,890     | 1.52 |
| Foodservice & Drinking | \$22,024,984/<br>\$13,327,739   | 0.61 | \$23,198,047/<br>\$11,862,302   | 0.51 | \$23,025,653/<br>\$11,506,439   | 0.50 |
| Discount Retail        | \$58,549,822/<br>\$10,808,967   | 0.18 | \$61,475,919/<br>\$10,883,706   | 0.18 | \$61,049,647/<br>\$10,708,737   | 0.18 |
| Total Retail Sales     | \$229,330,920/<br>\$158,330,920 | 0.69 | \$241,623,143/<br>\$157,749,544 | 0.65 | \$239,847,918/<br>\$156,262,571 | 0.65 |

Source: Buxton CommunityID, 2008

Notes:

1. The leakage/surplus index is a ratio of potential sales to actual sales within a retail category. For a ratio below 1.0, Patterson is leaking sales to other communities, while a ratio above 1.0 means Patterson is capturing sales from other communities. This hypothetical picture takes into account the buying habits of certain demographic categories living in Patterson, as well as actual sales data.

First, the study shows that the leakage/surplus ratio is relatively the same among all three trade areas. This is to be expected, since Patterson is a relatively small community. (The trade areas allow a more focused approach to potential sales between different districts, however.) Second, the study identifies retail categories that are currently leaking potential sales to other communities. This includes every category listed in Table IV-7, except building materials and garden equipment, food and beverages, and miscellaneous retail. Sales categories with the most leakage include furniture, clothing, general merchandise, and discount retail.

## Industrial Development

Historically, industrial development in Patterson consisted of food processing (Patterson Frozen Foods) and smaller businesses on properties near the railroad right-of-way. The 1992 General Plan designated considerable acreage for both heavy and light industrial development as shown on Figure I-3 of Chapter I. In 2007, the areas east of Highway 33 designated for industrial development remain largely vacant. This is due to 1) limited demand, and 2) the abundance of more suitably located land within the West Patterson Business Park Master Development Plan area.

### The West Patterson Business Park

Early in 1999, Stanislaus County hired a consulting firm (EDAW, Inc.) to investigate the feasibility of locating industrial/business park development at five different locations along the I-5 corridor. The study envisioned a cooperative effort among the County, local jurisdictions, and private property owners to attract and retain industrial/business park development as part of an ongoing strategy for economic development. The study concluded that the industrial land between the Sperry Avenue/Interstate 5 interchange and the City of Patterson offered the best opportunity for these initial cooperative efforts. To achieve these economic development goals, the City of Patterson hired a consulting firm who prepared the *West Master Business Park Master Development Plan* to establish the regulatory framework to govern development of the Plan area with the types of businesses most likely to be attracted to Patterson. The Master Development Plan is a cooperative

effort of the City, Stanislaus County and the property owners in the Plan area.

The Plan covers an area of about 820 acres as shown on Figure 2. When completely developed over the next twenty or more years, the Plan area is expected to accommodate about 9 million square feet of industrial and highway-serving commercial floor space and as many as 16,000 jobs.

Since its inception in 2002, the Keystone Business Park portion of the Plan area (the northerly 124 acres) has seen considerable development activity with two large wholesale distribution centers (Kohl's and Longs Drug Stores) as well as a number of smaller businesses which have added as many as 1,200 new jobs to the City.

### Residential Development

Patterson maintained a steady residential growth rate through the early 1980s, until 1986 when the City experienced an explosive upswing. According to the US Census, between 1990 and 2000 housing production and population grew about 21% and 34% respectively. Since 2000, the City's population and dwelling unit total have increased dramatically—a result of the continuing demand for housing by residents employed in the San Francisco Bay area with a willingness to commute from Patterson to their jobs. Since 2000, the City has added 7,660 residents and 2,150 dwelling units (about 300 per year), increases of 65% and 66%, respectively.

|                      | 1990  | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   |
|----------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Population           | 8,626 | 11,606 | 12,225 | 13,092 | 13,730 | 14,257 | 16,187 | 19,269 | 20,857 | 21,229 |
| Total Dwelling Units | 2,703 | 3,262  | 3,404  | 3,622  | 3,777  | 3,918  | 4,484  | 5,412  | 5,932  | 5,999  |

Source: California Department of Finance and US Census of Housing and Population, 1990 and 2000-2008.

The demand for housing in 2007 remains strong. In late 2006, the City approved an additional 3,100 dwellings to be constructed in the northeast portion of the General Plan area. As of 2007, there were approximately 851 acres remaining for residential development within the City's General Plan area.

### The City's Budget and Fiscal Setting

The City of Patterson provides a variety of services to local residents and businesses including legislative and administrative services, police and fire protection, water and sewer services, refuse collection, street maintenance, and parks and recreational services.

### **Budgetary Funds**

The City allocates funding for these services from four fund types.

The *General Fund* includes all unrestricted general-purpose revenues that can be spent for any lawful purpose and over which the City Council has total control. The General Fund comprises about 18% or less than 1/5th of the total budget in 2006. General Fund monies can be spent at the City's discretion. Primary revenue sources include:

- Property taxes
- Sales taxes
- Vehicle license fees, and
- Building permit fees

Most of the expenditures from the General Fund are for Public Safety, Administration, Parks & Recreation, Community Development, and functions that have limited means of cost recovery.

Monies for recreation programs are generated primarily through fundraisers and by user fees and charges. Parkland acquisition money comes primarily from developers who, under the Quimby Act, pay an in-lieu fee to the City to acquire parklands.

*Special Revenue Funds* are established to comply with particular legal or contractual requirements or other restrictions imposed on the use of monies (e.g., by the State or Federal governments). Gas Tax and Housing are prime examples of Special Revenue. The Housing Fund is aimed at improving the supply of affordable housing in Patterson by the acquisition and management of grant monies such as those available through the Community Development Block Grant program, among others. Money must be appropriated and accounted for by very stringent standards. For example, Gas Tax money must be expended only on streets and roads, and the expenditure of these funds is monitored by the State Auditor to ensure compliance. Accordingly, City discretion on the nature of the expenditure is very limited.

Another Special Revenue fund is monies accrued to the City of Patterson Redevelopment Agency in accordance with California Health and Safety Code §33000 et seq. The Redevelopment Agency derives revenues from a portion of the property tax attributable to the growth in assessed value of properties within the Redevelopment Project boundary. These so-called 'tax increment' revenues must be spent within the Project Area boundaries to eliminate blighting conditions and to improve the supply of affordable housing.

*Enterprise Funds* are established when there is a significant potential for financing a service or program through user fees. This function can become totally self-funded or subsidized by other sources. Revenues earned can fund only the costs associated with that operation. Though State law does not allow the public sector to make a "profit," it is still prudent to maintain a

healthy reserve (for future expansion, equipment replacement, and unforeseen factors). Examples of Enterprise Funds include those for garbage collection, water supply, and sewer. Increases in capital costs or operational costs are usually offset through consumer adjustment charges or by increasing the connection fees.

In addition, the City also manages the Community Facilities Financing Districts. These Districts were established for areas annexed to the City as a means of internalizing the cost of providing the infrastructure necessary to serve such development. And lastly, funding for capital improvements is derived from fees charged to new development in accordance with Government Code §66000 et seq. which are then used to provide the infrastructure necessary to serve such development.

### **Budget Expenditures**

Total budget expenditures for the 2000-01 to 2006-07 fiscal years are summarized in Table IV-9. As Table IV-9 reveals, the City's budget is allocated among various funds and expenditure categories. Of particular importance to land use and development is the General Fund, because it funds all of the City departments and maintenance programs. As Table IV-9 shows, per capita General Fund expenditures remained fairly stable until the 2004-05 fiscal year when they increased sharply (about 40%). This can be attributed to a number of factors, including:

- The annexation of the Villa del Lago commercial center;
- The construction of additional retail businesses, such as the TrueValue hardware store;
- The construction of large-scale industrial businesses in the West Patterson Business Park; and
- Continued residential development.

| <b>Table IV-9: City of Patterson Budget Expenditures<br/>(FY 2000-01 to 2007-08)</b> |                |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | <b>2000-01</b> | <b>2001-02</b> | <b>2002-03</b> | <b>2003-04</b> | <b>2004-05</b> | <b>2005-06</b> | <b>2006-07</b> | <b>2007-08</b> |
| General Fund   | \$3,599,360    | \$4,023,594    | \$4,339,467    | \$5,574,989    | \$9,007,628    | \$9,040,895    | \$7,740,784    | \$10,555,907   |
| Other General Fund   | \$0            | \$115,539      | \$30,934       | \$0            | \$165,645      | \$730,859      | \$312,465      | \$1,227,711    |
| Special District   | \$0            | \$1,333,933    | \$15,118,996   | \$9,447,679    | \$23,257,576   | \$11,504,492   | \$12,038,337   | \$10,410,402   |
| Recreation   | \$146,694      | \$1,230        | \$64,054       | \$91,791       | \$966,353      | \$843,265      | \$364,582      | \$21,330       |
| Housing  | \$0            | \$27,542       | \$745,308      | \$732,299      | \$135,691      | \$528,019      | \$552,139      | \$84,075       |
| Police Equipment Grant   | \$0            | \$482          | \$0            | \$0            | \$0            | \$51,607       | \$26,496       | \$44,588       |
| Streets  | \$999,082      | \$1,179,574    | \$535,544      | \$588,105      | \$558,777      | \$1,032,475    | \$751,152      | \$691,017      |
| RDA  | \$7,379        | \$217,187      | \$24,787       | \$33,757       | \$101,291      | \$143,575      | \$273,065      | \$247,937      |
| Impact Fees  | \$91,515       | \$37,838       | \$62,015       | \$11,708       | \$704,358      | \$1,044,181    | \$1,981,965    | \$2,179,257    |
| Garbage  | \$866,928      | \$839,582      | \$870,199      | \$999,691      | \$1,098,823    | \$1,387,001    | \$1,823,915    | \$2,179,257    |
| Sewer  | \$731,330      | \$829,349      | \$998,257      | \$1,461,151    | \$1,362,058    | \$1,557,865    | \$1,485,202    | \$2,497,383    |
| Water  | \$871,209      | \$1,046,105    | \$1,202,695    | \$1,479,743    | \$1,349,716    | \$1,528,222    | \$2,210,205    | \$5,800,077    |
| Assessment District  | \$104,549      | \$169,131      | \$256,128      | \$324,010      | \$396,715      | \$789,298      | \$1,566,301    | \$1,673,578    |
| Population   | 11,606         | 12,225         | 13,092         | 13,730         | 14,257         | 16,187         | 19,269         | 20,857         |
| Per Capita General Fund Expenditures   | \$310          | \$329          | \$331          | \$406          | \$556          | \$559          | \$402          | \$506          |

Sources: City of Patterson Finance Department Final Budget, Fiscal Year 2008-09, City of Patterson Planning Department and CMCA, 2007

Table IV-10 provides a summary of General Fund expenditures by department and expenditure category for the years 2000 to 2008. Table IV-10 shows that funding for the Public Works Department is the largest departmental allocation, followed by Administration, then Public Safety.

| Department            | 2000-01   | 2001-02   | 2002-03    | 2003-04    | 2004-05    | 2005-06    | 2006-07    | 2007-08    |
|-----------------------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| Administration        | 691,456   | 2,230,697 | 15,888,460 | 10,214,873 | 27,217,244 | 14,404,446 | 13,740,257 | 12,435,936 |
| Community Development | 585,746   | 794,855   | 1,403,261  | 2,414,586  | 2,092,559  | 3,538,888  | 2,888,348  | 2,340,825  |
| Public Safety         | 1,546,496 | 1,702,689 | 1,831,833  | 1,958,318  | 2,180,079  | 2,717,573  | 3,513,542  | 5,435,361  |
| Public Works          | 3,925,402 | 4,511,587 | 4,249,477  | 6,943,859  | 9,850,952  | 7,913,997  | 8,337,818  | 14,049,831 |
| Recreation            | 669,314   | 581,307   | 875,457    | 966,064    | 2,496,471  | 1,972,471  | 1,972,832  | 2,566,317  |
| Total                 | 7,418,413 | 9,821,135 | 24,248,444 | 22,497,700 | 43,837,305 | 30,547,736 | 31,150,906 | 36,828,270 |

Source: City of Patterson Finance Department Final Budget, Fiscal Year 2008-09

## Sources of Revenue

The City derives revenues from a number of sources that include property and sales taxes, user fees, development impact fees, grants and licenses. Not only are there many types of income, their impact has shifted over the years. Prior to 1978, (pre Prop 13) Cities relied on property tax for much of their funding. As this source of income has been limited, other sources have become far more important. This change of funding has been the one most significant factor in local government finances. The gap has been made up by imposing user fees, applying for Grants, and eliminating services to the citizens.

### Tax Revenues

#### Property Tax

The Property tax is imposed on real property (land and permanently attached improvements) and tangible personal property (movable property), and based on the market value of the property, rather than on a fixed amount or benefit. Proposition 13 states *"the maximum amount of any ad valorem tax on real property shall not exceed one percent of the full cash value of such property..."* Cities, counties, school districts and special districts share that 1% property tax. The county allocates property tax revenues according to the proportion of property tax allocated to each agency (prior to Prop 13). Of every \$1.00 collected in property tax, the City receives about \$.14. Since the passage of Prop 13 in 1978, several other propositions have been passed to clarify its implementation. One of the more relevant was Proposition 4 (known as the Gann Initiative). Rather than limiting revenue, it restricts spending in relation to changes in population and the Consumer Price Index.

Under Proposition 13, the assessed value of real property upon which the property tax is collected is not allowed to increase unless the property changes ownership, or there is substantial new construction. In the absence

of a change of ownership, Proposition 13 allows the assessed value to increase 2% per year.

Since 1992-93 the State has been required by law to maintain the level-of funding for Schools (which comes mostly from property tax). This shift of revenues, known as the Education Revenue Augmentation Fund (or ERAF), has resulted in the shifting of property tax money from the Counties and Cities to the Schools. The impact on local government has been significant, as the amount diverted from Patterson amounts to about one third of the primary funding source for the General Fund. The ERAF has remained in effect since 1993 in spite of significantly improved fiscal circumstances at the State and local levels.

Another recent change to the fiscal landscape occurred in 2003 when legislation was passed that enables the County to retain funds to recover their collection costs. It comes as little surprise that this amount has been going up each year as well.

In late 2007, the housing market in Patterson took a drastic downturn, reflecting a nationwide mortgage failure and subsequent credit crisis. It is anticipated that this will lower property tax revenues in response to the devaluation of property.

#### **Tax Increments**

The primary source of funding for the Redevelopment Agency is the collection of tax increments. The increment is determined by calculating the difference between the original value assessed when the Redevelopment Agency was established (2000-01 frozen assessed valuation \$91,491,305) and the increased assessed value due to improvements (2006-07 is \$134,710,207). A portion of the one-percent tax rate on that difference is transferred from other public entities to the redevelopment agency.

State law requires that 20% of the tax increment collected be used to improve the supply of low- to moderate-income housing. Programs in which the City provides a match for CDBG Rehabilitation and the Senior Project meet the requirement.

#### **Sales Tax**

The Tax imposed on the total retail price of any tangible personal property is a major source of revenue and is known as Sales Tax. In 1955 the Legislature passed the Bradley-Burns Uniform Local Sales and Use Tax Law. The law authorizes the State Board of Equalization to collect 1% Sales and Use Tax for all California Cities and Counties. The current statewide Sales and Use Tax is 7.25%. This rate is shared as follows: (.25 goes to Transportation-LTF)

| Table IV-11: Tax Rate Allocations |       |
|-----------------------------------|-------|
| Category                          | Rate  |
| State                             | 6.00% |
| City/County                       | 1.00% |
| Prop. 172 - Public Safety         | 0.25% |

Source: California State Board of Equalization

The rate in Patterson (as with the entire Stanislaus County) is 7.375%. The additional .125 is a result of the Library Tax Initiative that became effective July 1, 1995. Currently there is an effort underway to increase sales tax countywide, to provide additional funding for Street and Road projects. The proposal will appear on the November 2006 ballot as Measure K.

One-quarter of each cent collected (\$.0025) is designated for Public Safety (as a result of Prop 172). Most of these proceeds go to the County District Attorney. (The County retains approximately 93%.) A final note on Prop 172: Although the original bill did not provide for Maintenance of Effort (which ensures that the funds allocated for Public Safety are above and beyond normal expenditures), it does now. If the City does not spend more than the amount spent during a base year on public safety, the augmentation allocation will be reduced accordingly. (This is not a concern, as there is no difficulty achieving this spending threshold.)

**Transient Occupancy Tax (TOT)**

An additional source of tax revenue is the Transient Occupancy Tax, assessed to guests off lodging facilities in the City, at the rate of 8%. This is a relatively new charge, generated as a result of the annexation of the property along the-6 interchange. The City receives 75% of the collection, while the County receives the remaining 25%.

**Benefit Assessment District (BAD)**

Benefit Assessment Districts are formed to provide services to maintain catch basins and provide street lighting, as well as storm drain management and line maintenance. Funds are generated through fees levied to pay for these services within a pre-determined district. The rate varies from district to district and is computed by a consultant. The assessment is levied on the annual property tax bill.

Once the rate is approved by Council, it is submitted to the County Auditor. The establishment of a Benefit District does require owner approval, but once in place, fees are assessed to the property owner, even if the property subsequently changes hands. The implementation of Prop 218 has limited the City's ability to raise the fees. (A district-wide election would be required.) Increase in revenue is due to additional houses being built in the district. Revenue can be easily projected.

**Landscape Maintenance District (LMD)**

Much like the Benefit Assessment District, Landscape Maintenance Districts are formed to provide services to maintain parks, streetscape landscaping, and remove graffiti. The current fee averages about \$350. Both districts are found in the newly-developed part of town.

**Mello Roos**

This levy, which is also placed on the tax bill, helps fund public improvements and provide for public safety. Currently two districts are in place, with an additional district being formed in the fall of 2006. CFD 2001-1 levy is \$1,948 a year, with annual increases allowing for inflation. This district will be paid off in 2039. The second district, CDF 2003-1, provides for Public Safety. This ongoing district's fee is currently \$322.

**Impact Fees on New Development**

Impact Fees (also known as Capital Facility Fees, Developer Fees or Municipal Facility Fees) are charges imposed by the City on development projects to mitigate the additional demands they place on infrastructure and public facilities. The use of this revenue-generating mechanism is a widespread practice in California, especially in areas where growth has had an impact on local government. Revenue collected must be used or at least obligated within 5 years of its receipt on capital- or equipment-related expenditures. The fees are justified as an offset to the future impact that development will have on existing infrastructure (as a result of population growth). Patterson collects the fees via building permits, or up front as specified in the Developer's agreement. Income has increased directly in relation to the increase in building. Fees vary from agreement to agreement and cover a number of benefits:

|                                 |   |
|---------------------------------|---|
| Community Facility:             | Sports Complex, Aquatic Center, Community/Senior Center, Park Development |
| Public Safety:                  | Police, Fire  |
| Governmental Bldgs:             | City Hall, Corporation Yard   |
| Park Land in Lieu:              | Park land   |
| Street Improvement:             | Streets   |
| Water/Sewer/Storm Drain Impact: | Infrastructure projects   |
| Future Water Acquisitions:      | Future water sources  |

Additional fees are collected on behalf of Stanislaus County, the State of California, and Del Puerto Health Care District.

**Business License Tax**

This tax is assessed on businesses for the privilege of conducting business within the city. The City of Patterson levies an annual fee ranging from of \$40.00 to \$140.00, which is strictly revenue-raising, not regulatory. Currently Patterson has approximately 1,000 licensed businesses (as of June 30, 2006.) Revenue has been steady. Recently a new software module has been implemented to track Business License activity. In the past, billing was done via a Microsoft Word-based invoice program, which had no tracking capabilities.

### **Licenses & Permits**

Cities can charge for reimbursement of costs relating to the regulation of certain types of activities. For example, the charge for Dance Permits allows the City to recoup costs that are necessitated by additional Police service during a public / private dance. The regulatory function that the City is performing is provided to protect overall community interests. Revenue from this source is not a significant portion of the Budget.

### **Building Permits**

Building regulation and inspection is now administered by the City. The actual inspections are performed by Willdan Associates, a private consulting firm. Compensation to Willdan is based on an hourly rate.

### **Other Permits**

Other sources of revenue are Yard Sale Permits, oversized loads, etc.

### **Fines & Penalties**

Fines, forfeitures and penalties are revenues received upon conviction of a misdemeanor or municipal infraction. The source of revenue is parking fines and code violations.

### **Interest & Rent**

Since municipalities have been given the opportunity to invest their idle funds in interest bearing accounts, the City has earned significant amounts of money. Most of the investments are done via deposits to the State of California Local Agency Investment Fund (LAIF). Interest has dropped dramatically over the past few years. All interest earned shall be allocated to the appropriate fund.

The City has adopted an Investment Policy, which is reviewed annually. In light of what happened in Orange County, attention has been focused on government's investment practices. The City has a very conservative policy. A minimum amount of rent is collected for the Senior Center, Council Chambers Building and a section of City Hall.

### **Grants & Funding From Other Governmental Agencies**

Much funding is received from outside sources, such as Housing Rehabilitation through HUD (CDBG), Gas Tax and other Street funding (collected on a State and Federal level), COP (State program used to fund the position of a gang enforcement Officer). The purpose of these funds is clearly defined, and they must be appropriated accordingly.

Another program which provides additional revenue is the Abandoned Vehicle Abatement program. In 1992 the State legislature approved the assessment of a \$1.00 fee on each vehicle being registered. This money is being distributed to the County to put into place a program which will abate the abandoned vehicles in each community.

**User Fees**

The greatest opportunity available to the City to ensure sufficient revenue for operations is the proper imposition of User Fees. These fees are the charges assessed to a citizen for a specific service or item. As a result of Proposition 13, and, subsequently, Proposition 4, cities have been forced to charge full costs for requested services. The "Costs Reasonably Borne" concept implies a direct relationship between payment of fees/charges and the receipt of a service. The direct fee-for-service principle is not upheld when taxes are used to subsidize services that can be identified and quantified. Local government needs to be cautious when imposing fees to ensure that Prop 218 is not activated.

**Other Revenue**

Other revenues collected by the City which do not fall into the other categories are items such as sale of supplies and property, salary reimbursements, etc. A major contributor to Other Revenue in the General Fund is the Administrative Charge. This does not constitute a city-wide cash increase, but instead represents transfers from non General funds for administrative support.

## Findings

- A greater percentage of the Patterson workforce is employed in service and professional-related occupations and industries in 2000 than in 1990. This represents a shift from a product-oriented/agriculture economy to one based on services.
- In spite of a shift toward service industries in the local workforce, the largest employers in Patterson continue to be agricultural-related businesses.
- The local retail economy is growing, based on a steadily increasing value of taxable sales, the increasing number of retail outlets, and the value of sales per outlet.
- In spite of the growth in retail floor area, the City continues to experience retail sales 'leakage' in the sale of apparel, eating and drinking establishments, and other types of retail.
- The City has approved and/or constructed over 600,000 square feet of commercial floor area since 2000. An additional 200,000 square feet is currently under review.
- Continued residential development will increase the local market for goods and services.
- The West Patterson Business Park has attracted a number of large-scale businesses in a short period of time, adding over 1,200 new jobs to the City since 2003.
- The City's fiscal condition remains sound. Per capita General Fund expenditures have risen steadily since 2000.

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