



STAFF REPORT

DATE: 01/21/2026
TO: Honorable Mayor and City Council Members
FROM: Planning and Development Department

2026-11

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

SPECIFIC PLAN AMENDMENT 2024-0003 TO THE DOWNTOWN REVITALIZATION SPECIFIC PLAN TO CHANGE THE ZONING OF PARCELS AT 323 S. BELLE AND 322 S. WASHBURN FROM SINGLE FAMILY AND GATEWAY BUSINESS TO DOWNTOWN, INCLUDING 0.87 ACRES OF PUBLIC RIGHT-OF-WAY

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve Specific Plan Amendment 2024-0003 (SPA2024-0003) amending the Downtown Revitalization Specific Plan (DRSP) to change the zoning of two parcels located at 323 S. Belle Avenue and 322 S. Washburn Avenue from Single Family (SF) and Gateway Business (GB), respectively, to Downtown (D). The amendment also proposes extending the Downtown (D) zoning designation over approximately 0.87 acres of public right-of-way (Fourth and Fifth Streets) that are proposed for vacation. The Downtown zoning designation would facilitate the development of a Northgate Gonzalez Market on the project site. The Planning and Housing Commission at its meeting of December 8, 2025, recommended approval of the specific plan amendment to the City Council.

RECOMMENDED ACTION:

That the City Council:

- a. Approve SPA2024-0003, as recommended by the Planning and Housing Commission.
- b. Introduce, by title only, and waive full reading of consideration of Ordinance No. 3425, first reading of an ordinance approving SPA2024-0003, an amendment to the Downtown Revitalization Specific Plan to change the zoning designation of two parcels located at 323 S. Belle Avenue and 322 S. Washburn Avenue from Single Family (SF) and Gateway Business (GB), respectively, to Downtown (D) and to establish the Downtown (D) zoning on approximately 0.87 acres of public right-of-way within Fourth and Fifth Streets.

BACKGROUND & HISTORY:

On August 19, 2024, the applicant submitted Specific Plan Amendment SPA2024-0003 requesting to change the zoning of two parcels located at 323 S. Belle Avenue and 322 S. Washburn Avenue from Single Family (SF) and Gateway Business (GB), respectively, to Downtown (D). Each lot is vacant and approximately 7,500 square feet in size. The amendment also includes extending the Downtown zoning designation over approximately 0.87 acres of public right-of-way within segments of Fourth and Fifth Streets that are proposed for vacation. The amendment would allow the two lots and right-of-way to be consolidated with 11 adjacent lots that are zoned Downtown (D). Lot consolidation is required to facilitate the development of a new 40,000 square foot Northgate Gonzalez Market and remodel of an existing 6,930 square foot commercial building.

The applicant is pursuing the lot consolidation through an associated entitlement, Parcel Map 38981, for which approval is being requested. Lot consolidation, however, cannot occur unless all 13 lots share the same zoning and General Plan land use designation. A corresponding general plan amendment to change the general plan land use of the two parcels is being processed separately under General Plan Amendment GPA2024-0003.

ANALYSIS:

SPA2024-0003 proposes to change the Single Family (SF) and Gateway Business (GB) zoning designations of two parcels, located at 323 S. Belle Avenue and 322 S. Washburn Avenue, to Downtown (D) to facilitate the development of a Northgate Gonzalez Market and remodel of an existing commercial building to a bank and restaurant. The market, bank and restaurant use are permitted in the Downtown (D) zoning designation.

The two subject properties, as well as surrounding properties, are located within the Downtown Revitalization Specific Plan (DRSP). Vacant lots to the south of the subject properties share the same Downtown (D) zoning designation, while the lots to the east are zoned Gateway Business (GB) and developed with commercial uses. The lots to the north and west are zoned Single Family (SF) and contain single family residences.

According to Table 3.1 (Allowable Land Uses) of the DRSP, the Downtown zoning designation permits a wide range of uses, including commercial retail and service uses, cultural and entertainment uses, professional offices, government facilities, and residential uses such as live/work, multifamily, senior citizen, and mix-use development. Accordingly, the proposed Downtown zoning designation for the project site is compatible with the surrounding commercial and residential land uses and promotes a vibrant and successful downtown, which relies on support from nearby residential and commercial neighborhoods.

The replacement of the Single Family (SF) zoning designation with Downtown (D) on the property at 323 S. Belle Avenue does not conflict with Government Code Section 66300(h)(1) of the Housing Accountability Act, which prohibits a city or county from changing a land use designation or zoning to a less intensive use unless the city or county concurrently changes the development standards, policies, and conditions applicable to other parcels within the jurisdiction to ensure that there is no net loss in residential capacity. Although the applicant's proposed development under the amendment is a commercial use, residential use continues to be provided under the proposed Downtown (D) zoning designation and would be subject to the established densities or floor area ratios of the General Plan. Therefore, the proposed amendment maintains a no-net-loss in residential capacity.

SPA2024-0003 is consistent with the Mixed Use Downtown (MUD) general plan designation proposed by GPA2024-0003. The Downtown (D) zoning designation is compatible with the zoning and land uses that surround the project site and facilitates the applicant's proposed commercial development. The amendment supports the objectives of the Downtown Revitalization Specific Plan, which includes promoting the Downtown area, stimulating economic development and reinvestment, encouraging economic activity that is compatible with the character and scale of the traditional downtown environment, and supporting high-quality development, which often requires the consolidation of multiple parcels.

FINANCIAL IMPACT:

The applicant paid the application processing fees of \$6,302 to cover the cost of the Specific Plan Amendment.

ENVIRONMENTAL ANALYSIS:

Per Section 15070(b) of the State Guidelines for Implementing the California Environmental Quality Act (CEQA) and Section 6.02 of the City's Local Guidelines, a Mitigated Negative Declaration (MND) was prepared for the project since the Initial Study identified that the project's potentially significant effects to the environment are capable of being mitigated to less than significant. Therefore, based on the project's mitigation measures and mitigation monitoring and reporting program identified in the MND, there is no substantial evidence, in light of the whole record before the city, that the project may

have a significant or potentially significant effect on the environment. The MND is recommended for adoption with associated GPA2024-0003.

Commenting Agencies

The MND was submitted to the State Clearinghouse (SCH #2025110646). The Planning and Development Department received comment letters from the following agencies in response to the MND:

- Department of Toxic Substance Control (DTSC)
- Caltrans

The DTSC comment letter, dated November 25, 2025, was received during the 20-day CEQA public review period. DTSC recommended that all structures proposed for demolition be surveyed for the presence of lead-based paints products, mercury, asbestos containing materials, and polychlorinated biphenyl (PCB) caulk in accordance with California environmental regulations and policies. DTSC further recommended that all import soil and fill materials be tested to ensure chemicals of concern meet the screening levels outlined in DTSC's Preliminary Endangerment Assessment (PEA) Guidance Manual. In response to these recommendations, City staff added Public Works Condition #25 to the Conditions of Approval for Precise Plan PP2024-0001. Condition #25 requires compliance with DTSC's recommendations during the permitting phase of project development.

The Caltrans comment letter, dated December 11, 2025, was received after the close of the 20-day CEQA public review period and following review of the project by the Planning and Housing Commission at its December 8, 2025 meeting. The City Traffic Engineer and the applicant's traffic engineer, LL&G, reviewed the comments and determined that they do not identify any new or significant transportation-related impacts and do not alter the conclusions or outcome of the MND. Accordingly, LL&G prepared a response letter to Caltrans, dated December 23, 2025, addressing the Caltrans comments.

The comment letters, along with the response letter prepared by LL&G, are included as public correspondence in the Planning and Housing Commission Staff Report packet in Exhibit 4.

PLANNING AND HOUSING COMMISSION ACTION:

At its meeting of December 8, 2025, the Planning and Housing Commission considered the subject matter and took the following action:

Motion was made, seconded (Siqueland/Longwell) and carried unanimously, with Commissioner Vernon absent, that the Planning and Housing Commission recommend approval of SPA2023-0004 to the City Council based on the findings contained in the staff report and conditions of approval. The minutes of the Planning and Housing Commission meeting are included as Exhibit 5.

PREPARED BY: ROCIO LOPEZ, SENIOR PLANNER

REVIEWED BY: SANDRA VANIAN, PLANNING MANAGER

SUBMITTED BY: JUSTIN TUCKER, ACTING PLANNING AND DEVELOPMENT
DIRECTOR / ASSISTANT CITY MANAGER

ATTACHMENTS:

1. Exhibit 1 – Ordinance No. 3425
2. Exhibit 2 – Locational and zoning map
3. Exhibit 3 – Proposed Amendment
4. Exhibit 4 – Planning and Housing Commission Staff Report
5. Exhibit 5 – Draft Minutes of the Planning and Housing Commission meeting of December 8, 2025