

PLANNING COMMISSION

REGULAR MEETING AGENDA

Wednesday, December 3, 2025, 7:00 P.M.

A quorum of Planning Commission will be in attendance at
Tracy City Hall, 333 Civic Center Plaza, Tracy
Web Site: www.cityoftracy.org

THIS MEETING WILL BE OPEN TO THE PUBLIC FOR IN-PERSON AND REMOTE PARTICIPATION PURSUANT TO GOVERNMENT CODE SECTION 54953(e).

MEMBERS OF THE PUBLIC MAY PARTICIPATE REMOTELY IN THE MEETING VIA THE FOLLOWING METHOD:

As always, the public may view the Planning Commission meetings live on the City of Tracy's website at CityofTracy.org or on Comcast Channel 26/AT&T U-verse Channel 99. To view from the City's website, open the "Government" menu at the top of the City's homepage and select "Planning Commission Meeting Videos" under the "Boards and Commissions" section.

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

Remote Public Comment:

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

- *Comments via:*
 - **Online by visiting** <https://cityoftracyevents.webex.com> and using the following
 - **Event Number 2557 218 1013 and Event Password:** Planning
 - **If you would like to participate in the public comment anonymously,** you may submit your comment in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.
 - Join by phone by dialing +1-408-418-9388, 2557 218 1013, #75266464#. Press *3 to raise the hand icon to speak on an item.
- *Protocols for commenting via WebEx:*
 - *If you wish to comment on the "New Business" or "Items from the Audience" portions of the agenda:*
 - Listen for the Chair to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.
 - If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.

- *Comments for the “New Business” or “Items from the Audience” portions of the agenda will be accepted until the public comment for that item is closed.*

Comments received on Webex outside of the comment periods outlined above will not be included in the record.

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

Addressing the Planning Commission on Items on the Agenda – The Brown Act provides that every regular Planning Commission meeting shall provide an opportunity for the public to address the Planning Commission on any item within its jurisdiction before or during the Planning Commission’s consideration of the item, provided no action shall be taken on any item not on the agenda. To facilitate the orderly process of public comment and to assist the Planning Commission to conduct its business as efficiently as possible, members of the public wishing to address the Planning Commission are requested to, but not required to, hand a speaker card, which includes the speaker’s name or other identifying designation and address to the City Clerk prior to the agenda item being called. Generally, once the Planning Commission begins its consideration of an item, no more speaker cards will be accepted. An individual’s failure to present a speaker card or state their name shall not preclude the individual from addressing the Planning Commission. Each citizen will be allowed a maximum of five minutes for input or testimony. In the event there are 15 or more individuals wishing to speak regarding any agenda item including the “Items from the Audience/Public Comment” portion of the agenda and regular items, the maximum amount of time allowed per speaker will be three minutes. When speaking under a specific agenda item, each speaker should avoid repetition of the remarks of the prior speakers. To promote time efficiency and an orderly meeting, the Presiding Officer may request that a spokesperson be designated to represent similar views. A designated spokesperson shall have 10 minutes to speak. At the Presiding Officer’s discretion, additional time may be granted. The City Clerk shall be the timekeeper.

Addressing the Planning Commission on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. The City Council’s Meeting Protocols and Rules of Procedure provide that in the interest of allowing Planning Commission to have adequate time to address the agendized items of business, “Items from the Audience/Public Comment” following the Consent Calendar will be limited to 15-minutes maximum period. “Items from the Audience/Public Comment” listed near the end of the agenda will not have a maximum time limit. A five-minute maximum time limit per speaker will apply to all individuals speaking during “Items from the Audience/Public Comment”. For non-agendized items, Planning Commissioners may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to

Planning Commission. When members of the public address the Planning Commission, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

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

Full copies of the agenda are available on the City's website: www.cityoftracy.org.

MEETING AGENDA

CALL TO ORDER

PLEDGE OF

ALLEGIANCE

ACTIONS, BY MOTION, OF PLANNING COMMISSION PURSUANT TO AB 2449, IF

ANY ROLL CALL

MINUTES – 11.19.25 Regular Meeting Minutes

DIRECTOR'S REPORT REGARDING THIS AGENDA

ITEMS FROM THE AUDIENCE - *In accordance with Council Meeting Protocols and Rules of Procedure, adopted by Resolution No. 2019-240, a five-minute maximum time limit per speaker will apply to all individuals speaking during "Items from the Audience/Public Comment". For non-agendized items, Planning Commissioners may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to the Planning Commission.*

1. NEW BUSINESS

- 1.A STAFF RECOMMENDS THAT THE PLANNING COMMISSION CONDUCT A PUBLIC HEARING, AND UPON ITS CONCLUSION, ADOPT A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL TAKE THE FOLLOWING ACTIONS (1) DETERMINE THAT THIS PROJECT IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTIONS 15378 (NOT A "PROJECT" WITHIN THE MEANING OF CEQA) AND 15061(B)(3) ("COMMON SENSE" EXEMPTION) AND (2) INTRODUCE AND ADOPT AN ORDINANCE TO REPEAL ARTICLE 36.5 IN ITS ENTIRETY AND READOPT ARTICLE 36.5 – DENSITY BONUS, OF THE TRACY MUNICIPAL CODE. THIS PROJECT IS CITY INITIATED TO COMPLY WITH STATE HOUSING LAWS AND TO COMPLETE IMPLEMENTATION ACTIONS REQUIRED IN THE CITY COUNCIL ADOPTED 2023-2031 HOUSING ELEMENT UPDATE.
- 1.B STAFF RECOMMENDS THAT THE PLANNING COMMISSION CONDUCT A PUBLIC HEARING, AND UPON ITS CONCLUSION, ADOPT A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL TAKE THE FOLLOWING ACTIONS (1) DETERMINE THAT THIS PROJECT IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTIONS 15378 (NOT A "PROJECT" WITHIN THE MEANING OF CEQA) AND 15061(B)(3) ("COMMON SENSE" EXEMPTION) AND (2) RECOMMEND THAT THE CITY COUNCIL ADOPT AN ORDINANCE AMENDING ARTICLE 5 – USE GROUPS FOR ALL ZONES, ARTICLE 18 - CENTRAL BUSINESS DISTRICT ZONE, AND ARTICLE 26 – OFF-STREET PARKING REQUIREMENTS, OF CHAPTER 10.08, ZONING REGULATIONS, OF TITLE 10, PLANNING AND ZONING, OF THE TRACY MUNICIPAL CODE, TO AMEND THE CENTRAL BUSINESS DISTRICT ZONE TO ALLOW USE GROUP 33 AS A PERMITTED USE, ESTABLISH A BUILDING HEIGHT LIMIT, ADD LANGUAGE REGARDING THE MINISTERIAL REVIEW PROCESS, AND ELIMINATE PARKING REQUIREMENTS. THE AMENDMENTS TO THE CENTRAL BUSINESS DISTRICT ZONE HAVE BEEN PREPARED IN RESPONSE TO CITY COUNCIL DIRECTION PROVIDED ON OCTOBER 1, 2024.
2. ITEMS FROM THE AUDIENCE
3. DIRECTOR'S REPORT
4. ITEMS FROM THE COMMISSION
5. ADJOURNMENT

Posted: November 26, 2025

Any materials distributed to the majority of the Planning Commission regarding any item on this agenda will be made available for public inspection via the City of Tracy website at www.cityoftracy.org.

**MINUTES
TRACY CITY PLANNING COMMISSION
REGULAR MEETING
NOVEMBER 19, 2025, 7:00 P.M.
CITY OF TRACY COUNCIL CHAMBERS
333 CIVIC CENTER PLAZA**

CALL TO ORDER

Chair Penning called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Chair Penning led the pledge of allegiance.

Jennifer Lucero, Administrative Assistant, notified Chair Penning of an action required pursuant to Assembly Bill 2449 and that Commissioner English was present via WebEx Video.

Commissioner English requested to participate via WebEx Video due to recovery from a recent surgery, rendering her unable to physically attend.

ACTION: It was moved by Chair Penning and seconded by Commissioner Orcutt to approve Commissioner English's request to participate via WebEx, pursuant to Assembly Bill 2449. A voice vote found Commissioner Atwal, Commissioner Orcutt, and Chair Penning in favor. Vice Chair Boakye-Boateng absent. Commissioner English abstained. Passed and so ordered; 3-0-1-1.

ROLL CALL

Roll Call found Commissioner Atwal, Commissioner Orcutt, and Chair Penning present. Commissioner English present via WebEx. Vice Chair Boakye-Boateng absent. Also present were: Scott Claar, Planning Manager; Daniella Green, Assistant City Attorney, present via WebEx; Genevieve Federighi, Senior Planner; Martin E. Vargas, Assistant Planner; Al Gali, Associate Engineer; Gina Peace, Executive Assistant; and Jennifer Lucero, Administrative Assistant.

MINUTES

Chair Penning introduced the Regular Meeting Minutes from the November 5, 2025 Planning Commission Regular Meeting.

ACTION: It was moved by Commissioner English and seconded by Chair Penning to approve the November 5, 2025 Planning Commission Regular Meeting Minutes. A voice vote found Commissioner Atwal, who watched the

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November 5th video and agreed the minutes are an accurate representation of what occurred, Commissioner English, and Chair Penning in favor. Commissioner Orcutt abstained from voting, as he did not attend the November 5, 2025 meeting. Vice Chair Boakye-Boateng absent. Passed and so ordered; 3-0-1-1.

DIRECTOR'S REPORT REGARDING THIS AGENDA

None.

ITEMS FROM THE AUDIENCE

None.

1. NEW BUSINESS

1.A Staff recommends that the Planning Commission conduct a public hearing, and upon its conclusion, adopt a resolution approving the following actions (1) Determine that this project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15332, pertaining to certain infill development projects (2) Approve a Development Review Permit (D25-0009) for the construction of a three-story, approximately 44,140 square foot building and related site improvements on a vacant 2.35-acre site (3) Grant a Conditional Use Permit (CUP25-0003) to permit a self-storage facility located at Assessor's Parcel Number 214-020-40. The applicant is Kitchell Development, and the property owner is Tiger Tracy, LLC.

Genevieve Federighi, Senior Planner, presented the staff report and addressed questions from the Commission.

Chair Penning opened the Public Hearing at 7:24 p.m. Seeing as no one else came forward, the public hearing was closed.

David Brown, Project Director for the Applicant, addressed the Commission via WebEx.

ACTION: It was moved by Commissioner Orcutt that the Planning Commission adopt a resolution that:

1. Determines that this project is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA guidelines section 15332, pertaining to certain infill development projects;
2. Approve a Development Review Permit (D25-0009), as

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amended, removing a portion of Condition C.5.1.G. as discussed, for the construction of a three-story, approximately 130,480 square foot building and related site improvements on a vacant 2.35-acre site, lowering the height of the building by up to five (5) feet; and

3. Grant a Conditional Use Permit (CUP25-0003), to permit the use of a self-storage facility located at Assessor's Parcel Number 214-020-40.

The motion died for lack of a second.

ACTION: It was moved by Commissioner Atwal and seconded by Chair Penning that the Planning Commission adopts a resolution that:

1. Determine that this project is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA guidelines section 15332, pertaining to certain infill development projects;
2. Approve a Development Review Permit (D25-0009), as amended, removing a portion of Condition C.5.1.G., as discussed, for the construction of a three-story, approximately 130,480 square foot building and related site improvements on a vacant 2.35-acre site; and
3. Grant a Conditional Use Permit (CUP25-0003), to permit the use of a self-storage facility located at Assessor's Parcel Number 214-020-40.

A roll call vote found Commissioner Atwal, and Chair Penning in favor. Commissioner English, and Commissioner Orcutt opposed. Vice Chair Boakye-Boateng absent. Motion fails; 2-2-1-0.

ACTION: It was moved by Commissioner Atwal and seconded by Commissioner Orcutt that the Planning Commission reconsider the Project.

A roll call vote found Commissioner Atwal, Commissioner English, Commissioner Orcutt, and Chair Penning in favor. Vice Chair Boakye-Boateng absent. Passed and so ordered; 4-0-1-0.

ACTION: It was moved by Commissioner Atwal and seconded by Commissioner Orcutt that the Planning Commission continue the project to a future Planning Commission meeting, and staff provide additional height information for other buildings in the area.

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A roll call vote found Commissioner Atwal, Commissioner English, Commissioner Orcutt, and Chair Penning in favor. Vice Chair Boakye-Boateng absent. Passed and so ordered; 4-0-1-0.

1.B Staff recommends that the Planning Commission conduct a public hearing, and upon its conclusion, adopt a Resolution (1) Determining that this project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332, pertaining to infill projects; and (2) Approving a Development Review Permit, Application Number D23-0010, for the construction of a four-story hotel with an event center and related site improvements on a 1.77-acre site. The applicant is Navdeep Grewal, and the property owner is Navdeep Grewal.

Martin E. Vargas, Assistant Planner, presented the staff report and addressed questions from the Commission.

Sharad Lal, Project Architect, addressed the Commission and answered questions.

Navdeep Grewal, Project Applicant, addressed the Commission and answered questions.

Chair Penning opened the Public Hearing at 8:39 p.m.

Jackelinne Santiago, neighbor of the Larch Road site, addressed the Commission, via WebEx.

Mohamed Amini, developer of the adjacent gas station, addressed the Commission, in support of the Project.

Chair Penning closed the Public Hearing at 8:43 p.m.

ACTION: It was moved by Commissioner Orcutt and seconded by Commissioner Atwal that the Planning Commission adopts a resolution that:

1. Approves a development review permit, Application Number D23-0010, for the construction of a four-story hotel with an event center and related site improvements on a 1.77-acre site, as amended, relocating the trash enclosure; and
2. Determines that this project is categorically exempt from California Environmental Quality Act (CEQA) pursuant to CEQA guidelines section 15332, pertaining to infill projects.

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A roll call vote found Commissioner Atwal, Commissioner English, Commissioner Orcutt, and Chair Penning in favor. Vice Chair Boakye-Boateng absent. Passed and so ordered; 4-0-1-0.

2. ITEMS FROM THE AUDIENCE

None.

3. DIRECTOR'S REPORT

Scott Claar, Planning Manager, wanted to follow up with a previous inquiry of Commissioner English, regarding the status of the Tracy Senior Apartments. Mr. Claar announced that he spoke with the project planner, and a member of the City's Economic Development team, and the project has located funding sources, and is expected to start construction in 2026.

4. ITEMS FROM THE COMMISSION

Commissioner Orcutt inquired about the APA California Planning Conference, and asked if there were any emerging hot topics discussed.

Martin E. Vargas, Assistant Planner, attended the Conference and shared some of his experience, and various topics presented at the event. Scott Claar, Planning Manager, chimed in, stating that the Housing Policy is currently generating a significant amount of discussion, due to the constant updates to the Policy.

5. ADJOURNMENT

ACTION: It was moved by Commissioner Orcutt and seconded by Commissioner Atwal to adjourn.

Time: 8:56 p.m.

CHAIR

STAFF LIAISON

This meeting's agenda was posted at the Tracy City Hall on November 13, 2025. The above are action minutes. A recording is available on the City's website.



PLANNING COMMISSION STAFF REPORT

Item No. 1.A

DATE	December 3, 2025
TITLE	Housing Element Implementation / Zoning Text Amendment code updates to the Density Bonus
LOCATION	Citywide
APPLICATION TYPE	Zoning Text Amendment (ZA25-0005)
CEQA STATUS	Project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15378 and 15061(b)(3).
PROJECT PLANNER	Craig Hoffman (209) 831-6426 craig.hoffman@cityoftracy.org

RECOMMENDATION

Staff recommends that the Planning Commission conduct a public hearing, and upon its conclusion, adopt a resolution recommending that the City Council take the following actions:

- (1) Determine that this project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15378 (not a “project” within the meaning of CEQA) and 15061(b)(3) (“common sense” exemption).
- (2) Introduce and adopt an ordinance to repeal Article 36.5 in its entirety and readopt Article 36.5 – Density Bonus, of the Tracy Municipal Code.

This project is City initiated to comply with State housing laws and to complete implementation actions required in the City Council adopted 2023-2031 Housing Element Update.

BACKGROUND

The City Council adopted the 2023 – 2031 Housing Element on July 1, 2025. The City of Tracy received a compliance letter from the California Department of Housing and

Community Development (HCD) on August 11, 2025, indicating HCD's tentative certification of the City's 6th cycle Housing Element update for the 2023 – 2031 planning period.

In total, the Housing Element includes approximately 94 tasks that need to be implemented by the City, including updates to the Density Bonus code section, which is the subject of this agenda item.

The Density Bonus code section for the City of Tracy currently exists as Article 36.5 of Chapter 10.08 of Title 10 of the Tracy Municipal Code. This project is an update to that code section required by State law and as a provision of the 2023 – 2031 Housing Element.

The staff proposal is to repeal the existing code section in its entirety and then readopt the proposed code section.

PROJECT DESCRIPTION

Article 36.5 – Density Bonus - provides incentives for the production of housing for very low-income, low-income, and senior households, and for the production of housing for moderate-income households residing in condominium and planned development projects. In enacting this section, it is the City's intent to facilitate the development of affordable housing and to implement the goals, objectives, and policies of the City's General Plan Housing Element. This section is enacted under the authority of Government Code sections 65915 through 65917.5.

There are several principle ideas involved in density bonus law, as shown below:

Density Bonus—When a certain percentage of affordable (moderate, low or very low income levels) dwelling units are added to a project, the State's density bonus provisions allow for an increase in overall density of a project in proportion to the affordable units that are added. Based on the density and type of affordable units proposed, a density bonus from 5% up to 50% over the otherwise allowable number of units can be granted.

Incentives—When a certain percentage of affordable units is proposed within a density bonus project (the percentage varies based on the level of affordability), incentives must be granted by the City. These incentives relate to required development standards, such as building setbacks, lot size, building height, lot coverage, etc.. State law requires that a certain number of incentives be granted to projects as requested, however, the City is able to establish definitions as to how much of a deviation from required standards is considered a single incentive.

Land Donation—If a project applicant donates land to the City, additional density bonuses can be granted for the construction of an increased number of units, but not exceeding a 35% density bonus for the overall project.

Child Care Facilities—When a density bonus project with child care facilities on the premises is proposed, an additional density bonus, or an additional incentive can be granted to the project.

Condominium Conversions—If a condominium conversion project is proposed for existing apartments, additional units can be created if certain affordability criteria are met.

Continued affordability—State law provides provisions for the continued affordability of ownership units, with regard to resale pricing and appreciation. Rental units must remain affordable for the length of time established by the City, but not for less than 30 years. The proposed ordinance requires a period of 55 years, to be consistent with the City's Growth Management Ordinance affordability provisions.

All of the provisions as required by State law have been included in the proposed Density Bonus Ordinance (Attachment A). The table below identifies major changes to the existing code section verse additions. The previous code section was adopted in 2008. This update is required by numerous changes to State law over the past few years.

Section	Proposed Change
10.08.4650 - Purpose	Existing Code Section.
10.08.4653 – Definitions	Replace and Update
10.08.4656 – Granting of Bonus	New Section
10.08.4659 – Number of Bonus Units	New Section
10.08.4662 – Land Donation	Replace and Update
10.08.4665 – Child Care	Replace and Update
10.08.4668 – Condo Conversion	Replace and Update
10.08.4671 – Design and Distribution	New Section
10.08.4674 – Request for Incentive	New Section
10.08.4677 – Granting of Incentive	New Section
10.08.4680 – Modify Development Standards	Existing Code Section.
10.08.4683 – Application Requirement	Existing Code Section.
10.08.4680 – Density Bonus Agreement	Existing Code Section.

Many of the code sections are just being updated with new requirements. Several code sections are updates required by State law.

CEQA DETERMINATION

The proposed ordinance is not a project within the meaning of section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that the ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment. No development is approved by this zoning text amendment and future development projects will be subject to separate CEQA review.

SUMMARY

The Density Bonus code section for the City of Tracy currently exists as Article 36.5 of Chapter 10.08 of Title 10 of the Tracy Municipal Code. This is an update to that code section required by State law and as a provision of the 2032 – 2031 Housing Element.

ATTACHMENTS

A – Planning Commission Resolution

Exhibit 1 – An Ordinance of The City of Tracy to repeal in its entirety and readopt Article 36.5 – Density Bonus, of Chapter 10.08 of Title 10 of the Tracy Municipal Code

Exhibit A – Article 36.5 – Density Bonus

TRACY PLANNING COMMISSION
RESOLUTION 2025-_____

RECOMMENDING THAT THE CITY COUNCIL OF THE CITY OF TRACY CONDUCT A PUBLIC HEARING, AND UPON ITS CONCLUSION, TAKE THE FOLLOWING ACTIONS:

1. INTRODUCE AND ADOPT AN ORDINANCE THAT

(A) DETERMINES THAT THE ORDINANCE IS NOT A PROJECT WITHIN THE MEANING OF SECTION 15378 OF THE CEQA GUIDELINES BECAUSE IT HAS NO POTENTIAL FOR RESULTING IN PHYSICAL CHANGE IN THE ENVIRONMENT, EITHER DIRECTLY OR ULTIMATELY. IN THE EVENT THAT THE ORDINANCE IS FOUND TO BE A PROJECT UNDER CEQA, IT IS SUBJECT TO THE CEQA EXEMPTION CONTAINED IN CEQA GUIDELINES SECTION 15061(B)(3) BECAUSE IT CAN BE SEEN WITH CERTAINTY TO HAVE NO POSSIBILITY OF A SIGNIFICANT EFFECT ON THE ENVIRONMENT; AND

(B) APPROVES AN AMENDMENT TO REPEAL ARTICLE 36.5 IN ITS ENTIRETY AND READOPT ARTICLE 36.5 – DENSITY BONUS –OF TITLE 10, PLANNING AND ZONING, OF THE TRACY MUNICIPAL CODE.

WHEREAS, State law requires the City of Tracy to adopt a General Plan containing mandatory elements including housing, and that the Housing Element is required to be updated and is subject to statutory requirements and mandatory review by the California Department of Housing and Community Development (HCD); and

WHEREAS, the 2023 – 2031 Housing Element was prepared in coordination with the California Department of Housing and Community Development; and

WHEREAS, the update to the Housing Element has provided residents and other interested parties with opportunities to review draft documents and proposed policies, and to provide recommendations for consideration by decision-makers; and

WHEREAS, the 2023 – 2031 Housing Element public participation efforts included an online housing survey in both English and Spanish, stakeholder focus group interviews, dedicated webpage on City website, an email list, community workshops, joint Planning Commission and City Council study session and several Planning Commission and City Council public hearings; and

WHEREAS, on July 1, 2025, Tracy City Council adopted the 2023-2031 Housing Element Update, requiring staff to implement the objectives, policies, and programs set

forth in the Housing Plan to provide housing that fulfills the diverse needs of the community; and

WHEREAS, the California Department of Housing and Community Development provided tentative certification on August 11, 2025, on the 2023 – 2031 Housing Element subject to various implementation programs and polices being updated and enacted; and

WHEREAS, the 2023 – 2031 Housing Element requires the Density Bonus section of the municipal code to be updated with increased density bonus, and incentives or concessions; and

WHEREAS, this article provides incentives for the production of housing for very low-income, low-income, and senior households, and for the production of housing for moderate-income households residing in condominium and planned development projects; and

WHEREAS, in enacting this article, it is the City's intent to facilitate the development of affordable housing and to implement the goals, objectives, and policies of the City's general plan housing element; and

WHEREAS, the ordinance is not a project within the meaning of Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that the ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines Section 15061(B)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment; and

WHEREAS, the Planning Commission considered this matter at a duly noticed public hearing held on December 3, 2025; now, therefore, be it

RESOLVED, That the Planning Commission of the City of Tracy hereby recommends that the City Council determine that the ordinance is not a project within the meaning of Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that the ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines Section 15061(B)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment; and be it

FURTHER RESOLVED, That the Planning Commission of the City of Tracy hereby recommends that the City Council introduce and adopt an ordinance (as shown in Exhibit 1) by repealing Article 36.5 in its entirety and readopting the update to Article 36.5 of Title 10, Planning and Zoning, of the Tracy Municipal Code.

The foregoing Resolution 2025-_____ was adopted by the Planning Commission of the City of Tracy on the 3rd day of December, 2025, by the following vote:

AYES: COMMISSION MEMBERS:
NOES: COMMISSION MEMBERS:
ABSENT: COMMISSION MEMBERS:
ABSTAIN: COMMISSION MEMBERS:

Chair

ATTEST:

Staff Liaison

Exhibit 1 – An Ordinance of The City of Tracy to repeal in its entirety and readopt Article 36.5 – Density Bonus, of Title 10, Planning and Zoning, of the Tracy Municipal Code

Exhibit A – Article 36.5 – Density Bonus

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

ORDINANCE NO. _____

AN ORDINANCE 1) DETERMINING THAT THE ORDINANCE IS NOT A PROJECT WITHIN THE MEANING OF SECTION 15378 OF THE CEQA GUIDELINES BECAUSE IT HAS NO POTENTIAL FOR RESULTING IN PHYSICAL CHANGE IN THE ENVIRONMENT, EITHER DIRECTLY OR ULTIMATELY. IN THE EVENT THAT THE ORDINANCE IS FOUND TO BE A PROJECT UNDER CEQA, IT IS SUBJECT TO THE CEQA EXEMPTION CONTAINED IN CEQA GUIDELINES SECTION 15061(B)(3) BECAUSE IT CAN BE SEEN WITH CERTAINTY TO HAVE NO POSSIBILITY OF A SIGNIFICANT EFFECT ON THE ENVIRONMENT AND 2) APPROVING AN AMENDMENT TO REPEAL ARTICLE 36.5 IN ITS ENTIRETY AND READOPT ARTICLE 36.5 – DENSITY BONUS ZONING REGULATIONS, OF TITLE 10, PLANNING AND ZONING, OF THE TRACY MUNICIPAL CODE

WHEREAS, State law requires the City of Tracy to adopt a General Plan containing mandatory elements including housing, and that the Housing Element is required to be updated and is subject to statutory requirements and mandatory review by the California Department of Housing and Community Development (HCD); and

WHEREAS, the 2023 – 2031 Housing Element was prepared in coordination with the California Department of Housing and Community Development; and

WHEREAS, the update to the Housing Element has provided residents and other interested parties with opportunities to review draft documents and proposed policies, and to provide recommendations for consideration by decision-makers; and

WHEREAS, the 2023 – 2031 Housing Element public participation efforts included an online housing survey in both English and Spanish, stakeholder focus group interviews, dedicated webpage on City website, an email list, community workshops, joint Planning Commission and City Council study session and several Planning Commission and City Council public hearings; and

WHEREAS, on July 1, 2025, Tracy City Council adopted the 2023-2031 Housing Element Update, requiring staff to implement the objectives, policies, and programs set

forth in the Housing Plan to provide housing that fulfills the diverse needs of the community; and

WHEREAS, the California Department of Housing and Community Development provided tentative certification on August 11, 2025, on the 2023 – 2031 Housing Element subject to various implementation programs and polices being updated and enacted; and

WHEREAS, the 2023 – 2031 Housing Element requires the Density Bonus section of the municipal code to be updated with increased density bonus, and incentives or concessions; and

WHEREAS, this article provides incentives for the production of housing for very low-income, low-income, and senior households, and for the production of housing for moderate-income households residing in condominium and planned development projects; and

WHEREAS, in enacting this article, it is the City's intent to facilitate the development of affordable housing and to implement the goals, objectives, and policies of the City's general plan housing element; and

WHEREAS, the ordinance is not a project within the meaning of Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that the ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines Section 15061(B)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment; and

WHEREAS, the Planning Commission considered this matter at a duly noticed public hearing held on December 3, 2025, and recommended that the City Council adopt the ordinance; and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on January 6, 2026; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES ORDAIN AS FOLLOWS:

SECTION 1. Incorporation of Recitals/Findings. The foregoing recitals are true and correct and are incorporated herein as findings.

SECTION 2. CEQA Determination. The City Council finds and determines this Ordinance is not a project within the meaning of section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that this Ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section

15061(b)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment.

SECTION 3. Amendment to Tracy Municipal Code, Title 10, Chapter 8,

Article 36.5. The City Council hereby approves the zoning text amendment to repeal Article 36.5 – Density Bonus in its entirety and readopt Article 36.5 Density Bonus –as attached to this Ordinance as Exhibit “A” and incorporated by reference as if fully set forth herein. This zoning text amendment made by this ordinance shall be codified in the Tracy Municipal Code.

SECTION 4. Effective Date. This Ordinance shall take effect 30 days after its final passage and adoption.

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

SECTION 6. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 7. Typographical or Clerical (Scrivener’s) Error. Any typographical errors in this Ordinance may be remedied by the City Attorney with the assistance of the City Clerk and shall not constitute an alteration.

* * * * *

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the 6th day of January, 2026, and finally adopted on the _____ day of _____, 2026, by the following vote:

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

DAN ARRIOLA
Mayor of the City of Tracy

ATTEST: _____

APRIL B. A. QUINTANILLA
City Clerk and Clerk of the Council of the City of Tracy

Date of Attestation: _____

Article 36.5. Density Bonus

10.08.4650 Purpose.

This section provides incentives for the production of housing for very low-income, low-income, and senior households, and for the production of housing for moderate-income households residing in condominium and planned development projects. In enacting this section, it is the City's intent to facilitate the development of affordable housing and to implement the goals, objectives, and policies of the City's general plan housing element. This section is enacted under the authority of Government Code sections 65915 through 65917.5.

10.08.4653 Definitions.

In this article 36.5, the following definitions apply. For definitions not included here, see Municipal Code, title 10, article 2, Definitions.

(a) "Affordable rent" means a rent, including a reasonable utility allowance as determined by the planning and building department director, for rental target units that does not exceed the following calculations pursuant to Health and Safety Code Section 50053:

- (1) Very low income: Fifty percent of the AMI, adjusted for household size, multiplied by 30 percent and divided by 12.
- (2) Low income: Sixty percent of the AMI, adjusted for household size, multiplied by 30 percent and divided by 12.

(b) "Affordable sales price" means a sales price at which very low, low, or moderate income households can qualify for the purchase of target units, taking into account available financing, number of bedrooms and assumed household size, reasonable down payment, and affordable housing costs as defined in Health and Safety Code Section 50052.5. The affordable sales price shall not exceed a price affordable to households based on the following calculations:

- (1) Very low: household income at or below 50 percent of the AMI.
- (2) Low: household income at or below 70 percent of the AMI.
- (3) Moderate: household income at or below 110 percent of the AMI.

(c) "AMI" mean the area median income for San Joaquin County.

(d) "Child care facility" means a child care facility other than a family day care home, including not limited to, infant centers, preschools, extended day care facilities, and school-age child care centers, pursuant to Government Code Section 65915(h)(4).

(e) "Concession or incentive" means any of the following, pursuant to Government Code Section 65915(k):

- (1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum

building standards approved by the California Building Standards Commission as provided in Health and Safety Code Sections 18901 et seq., including, but not limited to:

- (A) Reduced minimum lot sizes and/or dimensions.
- (B) Reduced minimum lot setbacks.
- (C) Increased maximum lot coverage.
- (D) Reduced On-site Parking Standards. Upon the request of the developer, the City shall require a vehicular parking ratio, inclusive of handicapped and guest parking:

In the following ratios:

- I. Zero to one bedroom: One onsite parking space.
- II. Two to three bedrooms: Two onsite parking spaces.
- III. Four and more bedrooms: Two and one-half parking spaces.

If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide "onsite parking" through covered parking or uncovered off-street parking, but not through on-street parking.

- (1) Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost and are compatible with the housing units and the existing or planned development in the area where the housing project will be located.
- (2) Other regulatory incentives or concessions proposed by the applicant or the City that result in identifiable and actual cost reductions.

(f) "Condominium project" has the same meaning as set forth in Civil Code Section 1351(f) for moderate income households.

(g) "Density bonus" is defined as a density increase of at least five percent, unless a lesser percentage is elected by the applicant, and no more than 35 percent over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of application by the applicant to the city.

(h) "Density bonus housing agreement" means a legally binding agreement between an applicant and the city to ensure that the requirements of this chapter are satisfied and that establishes, among other things, the number, size, location, terms and conditions of affordability, and production schedule of target units.

(i) "Density bonus units" means those residential units approved pursuant to the provisions of this chapter that exceed the otherwise maximum residential density for the proposed housing development site.

(j) "Development standard" means any ordinance, general plan element, specific plan, or other city condition, law, policy, resolution or regulation, as set forth in Government Code Section 65915(o)(1).

(k) "Housing cost" means the sum of actual or projected monthly payments for all of the following associated with for-sale target units: principal and interest on a mortgage loan, property taxes and assessments, fire and casualty insurance, and homeowner association fees.

(l) "Low-income household" means persons and families whose income does not exceed the low-income limits applicable to San Joaquin County, adjusted for household size, as published and periodically updated by the California Department of Housing and Community Development pursuant to Health and Safety Code Section 50079.5.

(m) "Maximum residential development" means the maximum number of residential units permitted by the general plan and applicable zoning district at the time of application, except for the provisions of this chapter.

(n) "Moderate income household" means persons and families whose income does not exceed the moderate-income limits applicable to San Joaquin County, adjusted for household size, as published and periodically updated by the California Department of Housing and Community Development pursuant to Health and Safety Code Section 50079.5.

(o) "Non-restricted unit" means any unit within a housing development that is not a target unit.

(p) "Qualifying resident" means a senior citizen or other person eligible to reside in senior citizen housing as defined under Civil Code Section 51.3.

(q) "Senior housing" means a housing development consistent with the State Fair Employment and Housing Act which has been designed to meet the physical and social needs of senior citizens and which otherwise qualifies as housing for older persons as defined in the federal Fair Housing Amendments Act of 1988.

(r) "Target unit" means a dwelling unit within a housing development that is affordable to and will be reserved for sale or rent to very low, low, or moderate income households, or to qualifying residents.

(s) "Very low-income household" means persons and families whose income does not exceed the very low-income limits applicable to San Joaquin County, adjusted for household size, as published and periodically updated by the California Department of Housing and Community Development pursuant to Health and Safety Code Section 50079.5.

10.08.4656 Granting of density bonuses and incentives.

(a) The city shall either grant a density bonus and at least one concession or incentive, or provide other concessions or incentives of equivalent financial value (based on the land cost per dwelling unit) when the applicant for a housing development agrees or proposes to construct at least any one of the following:

- (1) Ten percent of the total dwelling units for very low-income households.
- (2) Twenty percent of the total dwelling units for low-income households.
- (3) Fifty percent of the total dwelling units for qualifying residents.
- (4) Twenty percent of the total dwelling units in a condominium project for moderate income households.

(b) The granting of a density bonus shall not be interpreted, in and of itself, to require a general plan amendment, zoning change or other discretionary approval by the city.

10.08.4659 Number of density bonus units.

The city shall grant a density bonus, and incentives or concessions described in Section 10.08.4680, when an applicant for a residential development project seeks and agrees to construct at least anyone of the following:

(a) Ten percent of the total dwelling units of a residential development project for low-income households; or

Density Bonus Calculation	
Percentage Low-Income Units	Percentage Density Bonus
10%	20%
11%	21.5%
12%	23%
13%	24.5%
14%	26%
15%	27.5%
16%	29%
17%	30.5%
18%	32%
19%	33.5%
20%	35%
21%	38.75%
22%	42.5%
23%	46.25%
24%	50%

(b) Five percent of the total dwelling units of a residential development project for very low-income households; or

Density Bonus Calculation	
Percentage Very Low-Income Units	Percentage Density Bonus
5%	20%
6%	22.5%
7%	25%
8%	27.5%

9%	30%
10%	32.5%
11%	35%
12%	38.75%
13%	42.5%
14%	46.25%
15%	50%

(c) A residential development project meeting the requirements of a senior citizen housing development or a mobile home park as defined under state law; or

Density Bonus Calculation: Twenty percent

(d) Twenty percent of the total units for lower income students in a student housing development that meets the following requirements - all units in the student housing development shall be used exclusively for undergraduate, graduate, or professional students enrolled currently or in the past six months in at least six units at an institution of higher education:

Density Bonus Calculation	
Percentage Lower-Income Units	Percentage Density Bonus
20%	35%
21%	38.75%
22%	42.5%
23%	46.25%
24%	50%

(e) Ten percent of the total dwelling units in a common interest development as defined in Section 1351 of the Civil Code, for persons and families of moderate income, provided that all units in the development are offered to the public for purchase.

Density Bonus Calculation	
Percentage Moderate-Income Units	Percentage Density Bonus
10%	5%
11%	6%
12%	7%
13%	8%
14%	9%
15%	10%
16%	11%
17%	12%
18%	13%
19%	14%
20%	15%
21%	16%

22%	17%
23%	18%
24%	19%
25%	20%
26%	21%
27%	22%
28%	23%
29%	24%
30%	25%
31%	26%
32%	27%
33%	28%
34%	29%
35%	30%
36%	31%
37%	32%
38%	33%
39%	34%
40%	35%
41%	38.75%
42%	42.5%
43%	46.25%
44%	50%

The applicant shall elect whether the density bonus shall be awarded on the basis of subsection (a), (b), (c), (d) or (e) above. All density calculations resulting in fractional units shall be rounded up to the next whole number. The density bonus shall not be included when determining the number of dwelling units that is equal to five or ten percent of the total dwelling units.

10.08.4662 Land donation.

When an applicant donates land to the city, the applicant shall be entitled to a 15 percent increase above the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan for the entire residential development project as follows:

Density Bonus Calculation	
Percentage Very Low-Income Units	Percentage Density Bonus
10%	15%
11%	16%
12%	17%
13%	18%
14%	19%

15%	20%
16%	21%
17%	22%
18%	23%
19%	24%
20%	25%
21%	26%
22%	27%
23%	28%
24%	29%
25%	30%
26%	31%
27%	32%
28%	33%
29%	34%
30%	35%

This increase shall be in addition to any density bonus mandated in Section 10.08.4659(a) through (e) above, up to a maximum combined increase of 35 percent if the applicant seeks both the increase required under this section and the increase under Sections 10.08.4659 (a) through (e). All density bonuses resulting in fractional numbers of .5 or higher shall be rounded up to the next whole number. An applicant shall be eligible for the increased density bonus described in this section if all of the following conditions are met:

- (a) The applicant donates and transfers the land to the city no later than the date of approval by the city of the final subdivision map, parcel map, or residential development application of the residential development project seeking the density bonus.
- (b) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low-income households in an amount not less than ten percent of the number of residential units of the proposed residential development project seeking the density bonus.
- (c) The transferred land:
 - (1) Is at least one acre in size or of sufficient size to permit development of at least 40 units; and
 - (2) Has the appropriate general plan designation and is appropriately zoned for affordable housing based on a density of at least the minimum default density as established by the State Department of Housing and Community Development; and
 - (3) Is or will be served by adequate public facilities and infrastructure; and
 - (4) Has appropriate zoning and development standards to make the development of the affordable units feasible; and

(5) Has all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land no later than the date of approval of the final subdivision map, parcel map, or of the residential development project seeking the density bonus, except that the city may subject the proposed residential development project to subsequent design review, if the design is not reviewed by the city prior to the time of transfer.

(d) The transferred land and the affordable units shall be subject to a deed restriction, which shall be recorded on the property at the time of dedication, ensuring continued affordability of the units for a term of at least 30 years.

(e) The land is transferred to the city or to another housing developer approved by the city.

(f) The transferred land shall be within the boundary of the proposed residential development project or, if the city agrees, within one-quarter mile of the boundary of the proposed residential development project.

10.08.4665 Child care facilities.

When an applicant proposes to construct a residential development project that conforms to the requirements of Sections 10.08.4659(a) through (e) and includes a child care facility that will be located on the premises of, as part of, or adjacent to, the residential development project, the city shall grant either of the following:

(a) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility; or

(b) An additional concession or incentive designated by the city to contribute to the economic feasibility of the construction of the child care facility.

The city shall require, as a condition of approving the residential development project, that the following occur:

(c) The child care facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the affordable housing units are required to remain affordable pursuant to this chapter; and

(d) Of the children who attend the child care facility, the children of very low-income households, low-income households, and moderate-income households shall equal a percentage that is equal to or greater than the percentage of dwelling units that are made affordable to very low-income households, low-income households, or families of moderate-income households pursuant to Sections 10.08.4659(a) through (e).

Notwithstanding any requirement of this chapter, the city shall not be required to provide a density bonus or concession for a child care facility if it finds, based upon substantial evidence, that the community has adequate child care facilities.

10.08.4668 Condominium conversions.

When an applicant for approval to convert apartments to a condominium project agrees to provide at least 33 percent of the total units of the proposed condominium project to households earning between 80 percent and 120 percent of median income, or 15 percent of the total units of the proposed condominium project to households earning less than 80 percent of median income, and agrees to pay for the reasonably necessary administrative costs incurred by the city, the city shall either (1) grant a density bonus or (2) provide other incentives of equivalent financial value.

For purposes of this section, "density bonus" means an increase in units of 25 percent over the number of apartments, to be provided within the existing structure or structures proposed for conversion.

For purposes of this section, "other incentives of equivalent financial value" shall not be construed to require the city to provide cash transfer payments or other monetary compensation but may include the reduction or waiver of requirements which the city might otherwise apply as conditions of conversion approval.

An applicant shall be ineligible for a condominium conversion density bonus or other incentives under this section if the apartments proposed for conversion constitute a residential development project for which a density bonus or other incentives were previously provided under this chapter.

10.08.4671 Design, distribution and timing of affordable housing.

Affordable housing units must be constructed concurrently with market-rate units. The affordable units shall be integrated into the residential development project and be comparable in infrastructure (including sewer, water and other utilities), construction quality and exterior design to the market-rate units. The affordable units must also comply with the following criteria:

(a) **Rental Residential Development Projects:** When affordable units are required in rental residential development projects, the units should be integrated with the project as a whole. All affordable units shall reflect the range and numbers of bedrooms provided in the project as a whole, and shall not be distinguished by design, construction, or materials. All affordable units shall be reasonably dispersed throughout the project.

(b) **Owner-Occupied Residential Development Projects:** When affordable units are required in owner-occupied residential development projects, the units should be integrated with the project as a whole. Affordable units may be smaller in aggregate size and have different interior finishes and features than market-rate units so long as the interior features are durable, of good quality and consistent with contemporary standards for new housing.

All affordable units shall reflect the range and numbers of bedrooms provided in the project as a whole, except that if the market-rate units provide more than four bedrooms, the affordable units need not provide more than four bedrooms.

No building permits will be issued for market-rate units until permits for all affordable units have been obtained, unless affordable units are to be constructed in phases pursuant to a plan approved by the city. Market-rate units will not be inspected for occupancy until all affordable units have been constructed, unless affordable units are to be constructed in phases pursuant to a plan approved by the city.

10.08.4674 Requests for incentives or concessions.

The applicant must submit a density bonus application, as described in Section 10.08.4683 below, for the specific incentives or concessions that the applicant requests. The city shall grant the concession or incentive requested by the applicant unless the city makes a written finding, based upon substantial evidence, of either of the following:

- (a) The concession or incentive is not required in order to provide for affordable housing costs;
- (b) The concession or incentive would have a specific adverse impact upon public health and safety or the physical environment or on any real property that is listed in the Federal Register of Historic Resources, or the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low and moderate income households.

10.08.4677 Granting of incentives or concessions.

If the conditions of Sections 10.08.4659(a), (b), (c) (d) or (e) are met by applicant, the following incentives or concessions may be granted:

- (A) One incentive or concession for projects that include:
 - (1) At least 10 percent of the total units for lower income households, or
 - (2) At least 5 percent for very low-income households, or
 - (3) At least 10 percent for persons and families of moderate income in a development in which the units are for sale.
- (B) Two incentives or concessions for projects that include:
 - (1) At least 17 percent of the total units for lower income households, or
 - (2) At least 10 percent for very low-income households, or
 - (3) At least 20 percent for persons and families of moderate income in a development in which the units are for sale.
- (C) Three incentives or concessions for projects that include:
 - (1) At least 24 percent of the total units for lower income households, or
 - (2) At least 15 percent for very low-income households, or

- (3) At least 30 percent for persons and families of moderate income in a development in which the units are for sale.
- (D) Five incentives or concessions for a project meeting the criteria of one hundred percent of all units in the development, including total units and density bonus units, but exclusive of a manager's unit or units, are for lower income households, as defined by Section 50079.5 of the Health and Safety Code, except that up to 20 percent of the units in the development, including total units and density bonus units, may be for moderate-income households, as defined in Section 50053 of the Health and Safety Code. For purposes of this subparagraph, "development" includes a shared housing building development. If the project is located within one-half mile of a major transit stop or is located in a very low vehicle travel area in a designated county, the applicant shall also receive a height increase of up to three additional stories, or 33 feet.
- (E) One incentive or concession for projects that include at least 20 percent of the total units for lower income students in a student housing development. If a project includes at least 23 percent of the total units for lower income students in a student housing project, the applicant shall instead receive two incentives or concessions.
- (F) Four incentives or concessions for projects that include at least 16 percent of the units for very low-income households or at least 45 percent for persons and families of moderate income in a development in which the units are for sale.

10.08.4680 Modifying development standards as an incentive.

- (a) Incentives requested under sections 10.08.4662 and 10.08.4665 may include the following:
 - (1) A reduction of a site development standard or a modification of a zoning code requirement which exceeds the minimum building standards provided in Health and Safety Code section 18901 and following and which result in identifiable, financially sufficient, and actual cost reductions, including, but not limited to:
 - i. Reduced minimum lot size or dimension. Each reduction of 10% is considered one incentive.
 - ii. Reduced minimum lot setback: front or rear yard. Reduction in combined front and rear yard setbacks is considered one incentive, except that the reduction must leave at least a 5-foot setback for each for front and rear yards.
 - iii. Reduced side yard setbacks. Reduction in combined side yard setbacks is considered one incentive, except that the reduction must leave at least one 5-foot setback.

i. Reduced minimum lot size or dimension.	Each reduction of 10% is considered one incentive.
ii. Reduced minimum lot setback: front or rear yard.	Reduction in combined front and rear yard setbacks is considered one incentive, except that the reduction must leave at least a 5-foot setback for each for front and rear yards.
iii. Reduced side yard setbacks.	Reduction in combined side yard setbacks is considered one incentive, except that the reduction must leave at least one 5-foot setback.

iv. Increased maximum lot coverage.	Each increase of 10% is considered one incentive.
v. Reduced open space requirement.	Each decrease of 10% in the open space and land scape requirement is considered one incentive.
vi. Increased maximum building height.	Each additional story in height is considered one incentive, except when the total building height exceeds four stories. In that case, each additional increase by a partial story is one incentive and each additional increase by a full story is two incentives.
vii. Reduced drive aisle width below the applicable City standard, subject to fire district approval.	Each reduction of three feet in drive aisle width is considered one incentive.
viii. Waiver of a design standard from the City's Design Goals and Standards.	Each waiver of a design standard is considered one incentive. (Waivers of General Plan design standards are not permitted, for example: connectivity, community character.)

(Govt. Code section 65915(I)(1))

- (2) Approval of mixed-use zoning in conjunction with the housing development if nonresidential land uses will reduce the cost of the housing development and if the City finds that the proposed nonresidential uses are compatible with the housing development and with existing or planned development in the area where the proposed housing development will be located. (Approval of mixed-use zoning is considered six (6) incentives.) (Govt. Code section 65915(I)(2));
- (3) Other regulatory incentives proposed by the developer or the City which result in identifiable, financially sufficient, and actual cost reductions. The City has the right to establish the incentive value for any other incentive proposed by an applicant.

(b) An applicant may seek a waiver or modification of development standards that will have the effect of precluding the construction of a housing development meeting the criteria of section 10.08.4669 at the densities or with the incentives permitted by this section. The developer shall show that the waiver or modification is necessary to make the housing units economically feasible. (Govt. Code sections 65915(e) and (f))

10.08.4683 Application requirements and review.

(a) Application. An application for a density bonus, incentive, waiver, modification, or revised parking standard under this section shall be submitted with the first application for approval of a housing development and processed concurrently with all other

applications required for the housing development. The application shall be submitted on a form prescribed by the City and shall include at least the following information:

- (1) Site plan showing total number of units, number and location of target units, and number and location of proposed density bonus units;
- (2) Level of affordability of target units and proposals for ensuring affordability (See section 10.08.4680.);
- (3) Description of any requested incentives, waivers or modifications of development standards, or modified parking standards.
 - (i) For all incentives, the application shall include substantial evidence that the requested incentives result in identifiable, financially sufficient, and actual cost reductions (Govt. Code section 65915(l)(3)),
 - (ii) For waivers or modifications of development standards, the application shall provide substantial evidence to show that the waiver or modification is necessary to make the housing units economically feasible and that the development standards, without waiver or modification, will have the effect of precluding the construction of a housing development meeting the criteria of section 10.08.4660 at the densities or with the incentives permitted by this section. (Govt. Code sections 65915(e) and (f))

The applicant shall submit a development pro forma in a form prescribed by the City or the City's Economic Consultant. The applicant shall pay the cost of peer review of the development pro forma;

- (4) If a density bonus or concession is requested for a land donation, the application shall show the location of the land to be dedicated and provide evidence that each of the findings included in section 10.08.4665 can be made;
- (5) If a density bonus or incentive is requested for a child care facility, the application shall show the location and square footage of the child care facility and provide substantial evidence that each of the findings included in section 10.08.4665 can be made.

(b) Approval body. An application for a density bonus, incentive, waiver, modification, or revised parking standard under this section shall be considered by and acted upon by the approval body with authority to approve the housing development. Any decision regarding a density bonus, incentive, waiver, modification, or revised parking standard may be appealed from the Planning Commission to the City Council. Neither the granting of an incentive, waiver, or modification nor the granting of a density bonus shall be interpreted, in and of itself, to require a general plan amendment, zoning change, variance, or other discretionary approval. (Govt. Code sections 65915(g)(1) and (2) and (k))

(c) Findings for approval. Before approving an application for a density bonus, incentive, waiver, or modification, the approval body shall make the following findings:

- (1) If the density bonus is based all or in part on donation of land, the findings included in section 10.08.4662;

- (2) If the density bonus, incentive, or concession is based all or in part on the inclusion of a child care facility, the findings included in section 10.08.4665;
- (3) If the incentive or concession includes mixed use development, the findings included in section 10.08.4680;
- (4) If a waiver or modification is requested, the developer has shown by substantial evidence that the waiver or modification is necessary to make the housing units economically feasible. (Govt. Code section 65915(f))

(d) Findings required for denial of incentive. If a request for an incentive is otherwise consistent with this section, the approval body may deny an incentive if it makes a written finding, based upon substantial evidence, of either of the following:

- (1) The incentive is not required to provide for affordable rents or affordable ownership costs.
- (2) The incentive would have a specific adverse impact upon: (i) public health or safety; or (ii) the physical environment; or (iii) on any real property that is listed in the California Register of Historical Resources; and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

For the purpose of this subsection, "specific adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application was deemed complete. (Govt. Code sections 65589.5, 65915(d)(1))

(e) Findings required for denial of waiver or modification. If a request for a waiver or modification is otherwise consistent with this section, the approval body may deny the waiver or modification only if it makes a written finding, based upon substantial evidence, of either of the following:

- (1) The waiver or modification would have a specific adverse impact upon health, safety, or the physical environment, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

For the purpose of this subsection, "specific adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application was deemed complete. (Govt. Code sections 65589.5, 65915(e))

- (2) The waiver or modification would have an adverse impact on any real property that is listed in the California Register of Historical Resources.

(f) Findings required for denial of bonus or incentive for child care facility. If a density bonus or concession is based on the provision of child care facilities, the approval body may deny the bonus or concession if it finds, based on substantial evidence, that the City already has adequate child care facilities. (Govt. Code section 65915(i)(3))

10.08.4686 Density bonus housing agreement.

(a) Agreement required. An applicant requesting a density bonus shall agree to enter into a density bonus housing agreement (or affordable housing agreement, or other appropriate title) with the City. The agreement shall be made a condition of each discretionary planning permit for the housing development under this subsection. (Govt. Code section 65917)

(b) Recordation. The density bonus housing agreement shall be recorded as a restriction on any parcel on which the target units or density bonus units will be constructed. It shall be recorded before or concurrently with final or parcel map approval, or, where the housing development does not include a map, before issuance of a building permit for any structure in the housing development. The density bonus housing agreement shall run with the land and bind all successors in interest.

(c) Contents. The density bonus housing agreement shall include but not be limited to the following:

- (1) The total number of units approved for the housing development, the number, location, and level of affordability of target units, and the number of density bonus units;
- (2) Standards for determining affordable rent or affordable ownership cost for the target units;
- (3) The location, unit size in square feet, and number of bedrooms of target units;
- (4) Provisions to ensure affordability in accordance with sections 10.08.4653 and 10.08.4677;
- (5) A schedule for completion and occupancy of target units in relation to construction of nonrestricted units;
- (6) A description of any incentives, waivers, or reductions being provided by the City;
- (7) A description of remedies for breach of the agreement by either party. The City may identify tenants or qualified purchasers as third party beneficiaries under the agreement;
- (8) Procedures for qualifying tenants and prospective purchasers of target units;
- (9) Other provisions to ensure implementation and compliance with this section.

(d) For-sale housing provisions. In the case of for-sale housing developments, the density bonus housing agreement shall include the following conditions governing the sale and use of target units during the applicable use restriction period:

- (1) Target units shall be owner-occupied by eligible very low-, low-, or moderate-income households, or by qualified residents in the case of senior citizen housing developments.
- (2) The purchaser of each target unit shall execute an instrument approved by the City and to be recorded against the parcel including such provisions as the City may require to ensure continued compliance with this section.

(e) Rental housing provisions. In the case of rental housing developments, the density bonus housing agreement shall provide for the following:

- (1) Procedures for establishing affordable rent, filling vacancies, and maintaining target units for eligible tenants;
- (2) Provisions requiring verification of household incomes;
- (3) Provisions requiring maintenance of records to demonstrate compliance with this subsection.

(f) Child care facility or land dedication provisions. A density bonus housing agreement for a child care facility or land dedication shall ensure continued compliance with all conditions included in sections 10.08.4659 and 10.08.4665, respectively.



PLANNING COMMISSION STAFF REPORT

Item No. 1.B

DATE	December 3, 2025
TITLE	Central Business District Zone Amendments
LOCATION	Central Business District Zone
APPLICATION TYPE	Zoning Amendment (ZA23-0003)
CEQA STATUS	Project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15378 and 15061(b)(3).
PROJECT PLANNER	Breanna Alamilla breanna.alamilla@cityoftracy.org

RECOMMENDATION

Staff recommends that the Planning Commission conduct a public hearing, and upon its conclusion, adopt a resolution recommending that the City Council take the following actions:

- (1) Determine that this project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15378 (not a “project” within the meaning of CEQA) and 15061(b)(3) (“common sense” exemption).
- (2) Recommend that the City Council adopt an ordinance amending Article 5 – Use Groups for All Zones, Article 18 - Central Business District Zone, and Article 26 – Off-Street Parking Requirements, of Chapter 10.08, Zoning Regulations, of Title 10, Planning and Zoning, of the Tracy Municipal Code, to amend the Central Business District Zone to allow Use Group 33 as a permitted use, establish a building height limit, add language regarding the ministerial review process, and eliminate parking requirements.

The amendments to the Central Business District Zone have been prepared in response to City Council direction provided on October 1, 2024.

BACKGROUND

On October 1, 2024, Tracy City Council approved the Downtown Vision Plan and directed staff to initiate amendments to the Central Business District (CBD) Zone as part of a three-pronged planning approach to increase business and housing opportunities for the downtown area. Over the past five years, the Tracy City Center Association (TCCA), Tracy Economic Development Division, Tracy Parks & Recreation Department, Tracy Planning Commission, Tracy City Council, downtown property owners, key stakeholders, and broader segments of the community engaged in the downtown planning process. With community input, the Downtown Vision Plan was designed to identify policies and actions to achieve commercial, housing, and economic development goals for the downtown area. The Downtown Vision Plan established a strategy directing staff to update the CBD zoning standards, as the community felt this was the most effective method of change.

Completion of amendments to the CBD Zone were identified as the most effective tool in addressing TCCA concerns and priorities. The community and TCCA expressed that focused changes to development standards, parking, permitted uses, and design standards would provide the most immediate positive impacts. More specifically, the community and business leaders requested consistent guidance on parking standards, establishment of maximum building heights, an updated list of allowed uses in the downtown, and effective integration of housing and mixed uses. City Council directed staff to bring the CBD zoning standard updates to Planning Commission and City Council for consideration in 2025.

Please see the Project Description section below for further details regarding the proposed amendments.

PROJECT DESCRIPTION

The proposed zoning code amendments revise existing standards and propose new standards in the CBD Zone to meet the needs expressed by the community for the downtown area. Specifically, amendments to Article 18, Central Business District Zone, consist of the following:

- *Section 10.08.2370, Descriptive regulations (CBD):* Adds a new specified regulation stating that the CBD Zone is to provide effective integration of residential and commercial mixed uses for the City;
- *Section 10.08.2380, Permitted uses (CBD):* Adds Use Group 33, Specialized recreational and institutional uses in dance, athletics, arts, and self-defense, as a permitted use without conditional approval;

- *Section 10.08.2420, Height (CBD):* Revises the no height requirement to a new maximum height limit of 50 feet, or 4 floors, whichever is less;
- *Section 10.08.2450, Off-street parking (CBD):* Revises the existing parking standards to establish a no minimum parking standard in addition to an exemption from Article 26, Off-Street Parking Requirements; and
- *Section 10.08.2480, Development review (CBD):* Adds language regarding a ministerial streamlined review pathway for qualifying residential projects, established in Chapter 10.10, Housing Regulations.

The proposed CBD Zone amendments provide more opportunities for existing property owners and business owners. Property and business owners may receive benefits through the streamlining of the development review process for qualifying projects, the additional land uses allowed without a conditional use permit, and the elimination of parking requirements.

To maintain consistency throughout Title 10, Planning and Zoning, of the Tracy Municipal Code, further revisions to two existing sections were required. Section 10.08.1080, Permitted uses, is proposed to be amended to add the CBD Zone as a permitted zone for Use Group 33, Specialized recreational and instructional uses in dance, athletics, arts, and self-defense. Section 10.08.3470(c) is proposed to be amended to revise the language to allow an exception for parking in the CBD Zone. The revisions to these two sections implement the provisions of this ordinance and establish consistency.

Please see the CBD Zone Parking section below for further explanation of the proposal to eliminate parking requirements in the CBD Zone.

CBD Zone Parking

The new exemption from parking standards in the CBD zone is being proposed in alignment with previous City Council actions regarding the CBD Zone Parking In-Lieu Fee Program. This program enabled downtown developers to either provide parking or pay an in-lieu fee set by City Council resolution. On October 6, 2015, Tracy City Council reduced the parking in-lieu fee to \$0 for a five-year period. Due to the success of the in-lieu parking fee waiver, City Council extended the \$0 in-lieu parking fee in 2019 to last an additional five years. This parking fee program waiver expired in October of 2025. The in-lieu parking fee waiver has proven beneficial to the attraction of new businesses and in helping to maintain the attractiveness of downtown by keeping it financially accessible for improvements.

Due to the success of the parking fee waiver program over the last ten years, the permanent elimination of parking requirements in the CBD Zone is being proposed in

these amendments. Staff is proposing to amend the CBD Zone parking requirements to continue to decrease the barriers to downtown revitalization. The in-lieu parking fee waiver currently applies to all buildings in the CBD Zone, inclusive of new buildings, modifications to existing buildings, and tenant changes. The proposed amendment carries on this language.

Please see the attached Exhibit A for amendments to Article 5, Use Groups for All Zones, Exhibit B for amendments to Article 18, Central Business District Zone (CBD), and Exhibit C for amendments to Article 26, Off-Street Parking Requirements. Revisions are shown in track changes, or with ~~deletions~~ stricken and **additions in bold and underline**.

DISCUSSION

This agenda item involves a Planning Commission public hearing to make recommendations to the City Council regarding the Central Business District Zone Amendments. Specifically, the Planning Commission will be asked to make a recommendation to the City Council on the following item:

- Approval of a Zoning Amendment (Application Number ZA23-0003)

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION

The proposed ordinance is not a project within the meaning of Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that the ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment.

SUMMARY

This item introduces revisions to Article 5, Use Groups for All Zones; Article 18, Central Business District Zone; and Article 26, Off-Street Parking Requirements, of Chapter 10.08, Zoning Regulations, of the Tracy Municipal Code. The proposed ordinance is community driven and City Council directed to assist in the revitalization of the downtown area.

ATTACHMENTS

Attachment A – Location Map of Central Business District Zone

Attachment B – Planning Commission Resolution

Exhibit 1 – Proposed City Council Ordinance to Amend Article 5, Use Groups for All Zones; Article 18, Central Business District Zone; and Article 26, Off-Street Parking Requirements, of Chapter 10.08, Zoning Regulations, of Title 10, Planning and Zoning, of the Tracy Municipal Code

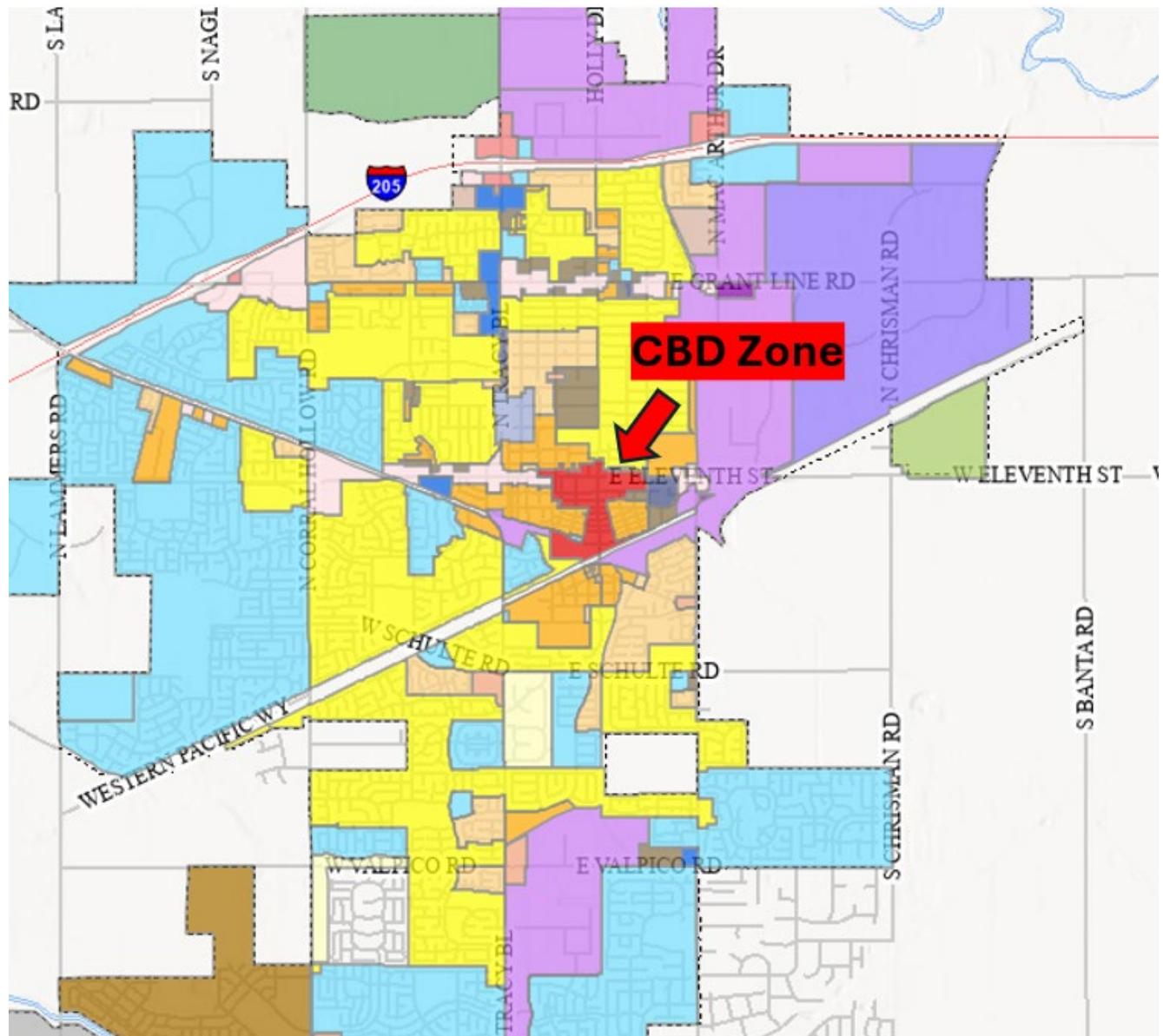
Exhibit A – Article 5, Use Groups for All Zones

Exhibit B – Article 18, Central Business District Zone

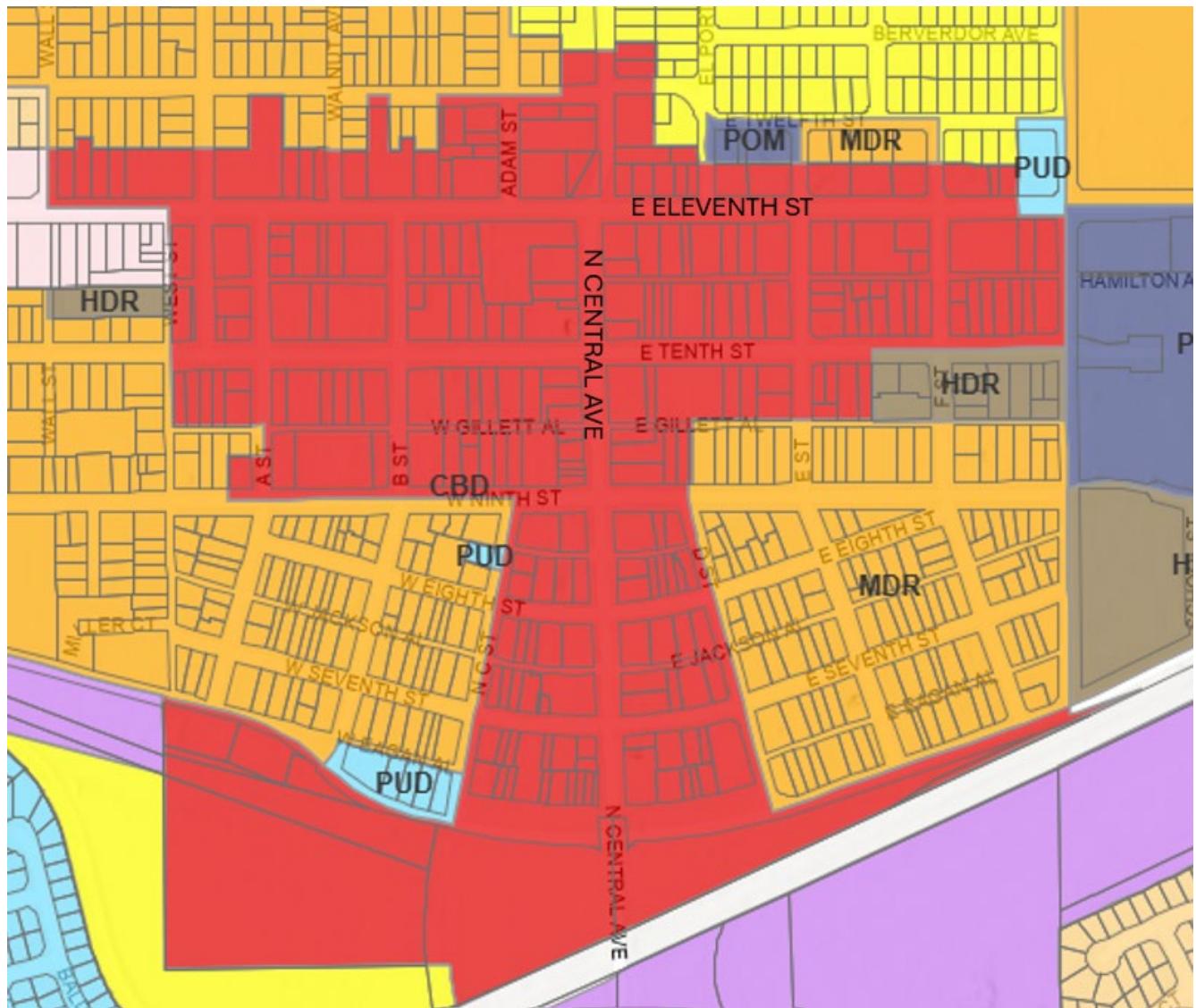
Exhibit C – Article 26, Off-Street Parking Requirements

Map of Central Business District Zone (CBD)

(shown in red)



Zoomed In:



APPROVED AS TO FORM

CITY ATTORNEY'S OFFICE

TRACY PLANNING COMMISSION

RESOLUTION 2025-_____

RECOMMENDING THAT THE CITY COUNCIL OF THE CITY OF TRACY CONDUCT A PUBLIC HEARING, AND UPON ITS CONCLUSION, TAKE THE FOLLOWING ACTIONS:

1. INTRODUCE AND ADOPT AN ORDINANCE THAT

(A) DETERMINES THAT THE ORDINANCE IS NOT A PROJECT WITHIN THE MEANING OF SECTION 15378 OF THE CEQA GUIDELINES BECAUSE IT HAS NO POTENTIAL FOR RESULTING IN PHYSICAL CHANGE IN THE ENVIRONMENT, EITHER DIRECTLY OR ULTIMATELY. IN THE EVENT THAT THE ORDINANCE IS FOUND TO BE A PROJECT UNDER CEQA, IT IS SUBJECT TO THE CEQA EXEMPTION CONTAINED IN CEQA GUIDELINES SECTION 15061(B)(3) BECAUSE IT CAN BE SEEN WITH CERTAINTY TO HAVE NO POSSIBILITY OF A SIGNIFICANT EFFECT ON THE ENVIRONMENT; AND

(B) APPROVES AN AMENDMENT TO ARTICLE 5 – USE GROUPS FOR ALL ZONES, ARTICLE 18 - CENTRAL BUSINESS DISTRICT ZONE, AND ARTICLE 26 – OFF-STREET PARKING REQUIREMENTS, OF CHAPTER 10.08, ZONING REGULATIONS, OF TITLE 10, PLANNING AND ZONING, OF THE TRACY MUNICIPAL CODE, TO AMEND THE CENTRAL BUSINESS DISTRICT ZONE TO ALLOW USE GROUP 33 AS A PERMITTED USE, ESTABLISH A BUILDING HEIGHT LIMIT, ADD LANGUAGE REGARDING THE MINISTERIAL REVIEW PROCESS, AND ELIMINATE PARKING REQUIREMENTS.

WHEREAS, Pursuant to Section 10.08.3470(c) of the Tracy Municipal Code, buildings enlarged, reconstructed, remodeled or structurally altered in the CBD zone shall either provide parking, or pay an in-lieu fee as set by Council resolution for the purpose of providing parking in the CBD zone; and

WHEREAS, On October 6, 2015, City Council adopted Resolution No. 2015-168, which approved a reduction of the CBD Zone parking in-lieu fee to \$0 as a five-year pilot program with an ending date of October 6, 2020, and a check-in point with City Council

at three years to gauge its effect on the Downtown and provide an opportunity to reexamine the fee amount in the future; and

WHEREAS, The five-year pilot program applied to all buildings in the CBD Zone, including new buildings, modifications to existing buildings, and tenant changes; and

WHEREAS, On July 16, 2019, Tracy City Council approved a five-year extension to the CBD Zone Parking In-Lieu Fee Pilot Program, which revised the ending date of the program to October 6, 2025, and amended Resolution No. 2015-168 to be consistent with the approval; and

WHEREAS, Article 18, Central Business District (CBD) Zone, of Chapter 10.08 of the Tracy Municipal Code establishes the permitted uses, conditionally permitted uses, and development standards of the CBD Zone; and

WHEREAS, The CBD Zone, of Chapter 10.08 of the Tracy Municipal Code, was last amended by Ordinance No. 1282, effective January 21, 2020, to permit high density residential uses; and

WHEREAS, On October 1, 2024, Tracy City Council approved the Downtown Vision Plan; and

WHEREAS, The Downtown Vision Plan strategy includes amending the Central Business District zoning standards separately from the Downtown Vision Plan; and

WHEREAS, Updates to the Central Business District Zoning Standards were determined to be the most direct and effective response to priorities expressed by community and business leaders for downtown revitalization, as identified in the October 1, 2024 City Council meeting; and

WHEREAS, The desired updates to the Central Business District Zoning Standards included establishing a streamlined development review process to spur economic growth, provide consistent guidance on parking standards, establish maximum building heights, update the allowed uses in Downtown, and effectively integrate housing and mixed uses; and

WHEREAS, City Council directed staff to bring the updated CBD zoning standards to Planning Commission and City Council for consideration in 2025; and

WHEREAS, Staff is proposing amendments to the CBD zoning standards to implement the Downtown Vision Plan, satisfy community input, and comply with City Council direction; and

WHEREAS, the proposed amendments include the addition of a new specified regulation stating that the CBD Zone is to provide effective integration of residential and commercial mixed uses for the City; and

WHEREAS, the proposed amendments include the addition of Use Group 33, Specialized recreational and institutional uses in dance, athletics, arts, and self-defense, as a permitted use without conditional approval; and

WHEREAS, the proposed amendments include a revision to the height requirement, establishing a new maximum height limit of 50 feet, or 4 floors, whichever is less; and

WHEREAS, the proposed amendments include a revision to the existing parking standards to establish a no minimum parking standard in addition to an exemption from Article 26, Off-Street Parking Requirements; and

WHEREAS, the proposed amendments include the addition of new language regarding a ministerial streamlined review pathway for qualifying residential projects, established in Chapter 10.10, Housing Regulations; and

WHEREAS, the ordinance is not a project within the meaning of Section 15378 of the CEQA Guidelines (14 Cal. Code Regs. § 15378) because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that the ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines Section 15061(b)(3) (14 Cal. Code Regs. § 15061(b)(3)) because it can be seen with certainty to have no possibility of a significant effect on the environment; and

WHEREAS, the Planning Commission considered this matter at a duly noticed public hearing held on December 3, 2025; now, therefore, be it

RESOLVED: That the Planning Commission of the City of Tracy hereby recommends that the City Council of the City of Tracy determine that the ordinance is not a project within the meaning of Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that the ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines Section 15061(B)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment; and be it

FURTHER RESOLVED: That the Planning Commission of the City of Tracy hereby recommends that the City Council of the City of Tracy introduce and adopt an ordinance to amend Article 5 – Use Groups for All Zones, Article 18 - Central Business District Zone, and Article 26 – Off-Street Parking Requirements, of Chapter 10.08, Zoning Regulations, of Title 10, Planning and Zoning, of the Tracy Municipal Code, to

amend the Central Business District Zone to allow Use Group 33 as a permitted use, establish a building height limit, add language regarding the ministerial review process, and eliminate parking requirements.

* * * * *

The foregoing Resolution 2025-_____ was adopted by the Planning Commission of the City of Tracy on December 3, 2025, by the following vote:

AYES: COMMISSION MEMBERS:
NOES: COMMISSION MEMBERS:
ABSENT: COMMISSION MEMBERS:
ABSTENTION: COMMISSION MEMBERS:

CHAIR

ATTEST: _____
STAFF LIAISON

Date of Attestation: _____

Enclosed:

Exhibit 1 – Proposed City Council Ordinance to Amend Article 5, Use Groups for All Zones; Article 18, Central Business District Zone; and Article 26, Off-Street Parking Requirements, of Chapter 10.08, Zoning Regulations, of Title 10, Planning and Zoning, of the Tracy Municipal Code

Exhibit A – Article 5, Use Groups for All Zones

Exhibit B – Article 18, Central Business District Zone

Exhibit C – Article 26, Off-Street Parking Requirements

APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

ORDINANCE NO. _____

AN ORDINANCE 1) DETERMINING THAT THE ORDINANCE IS NOT A PROJECT WITHIN THE MEANING OF SECTION 15378 OF THE CEQA GUIDELINES BECAUSE IT HAS NO POTENTIAL FOR RESULTING IN PHYSICAL CHANGE IN THE ENVIRONMENT, EITHER DIRECTLY OR ULTIMATELY. IN THE EVENT THAT THE ORDINANCE IS FOUND TO BE A PROJECT UNDER CEQA, IT IS SUBJECT TO THE CEQA EXEMPTION CONTAINED IN CEQA GUIDELINES SECTION 15061(B)(3) BECAUSE IT CAN BE SEEN WITH CERTAINTY TO HAVE NO POSSIBILITY OF A SIGNIFICANT EFFECT ON THE ENVIRONMENT; AND 2) APPROVING AN AMENDMENT TO ARTICLE 5 – USE GROUPS FOR ALL ZONES, ARTICLE 18 - CENTRAL BUSINESS DISTRICT ZONE, AND ARTICLE 26 – OFF-STREET PARKING REQUIREMENTS, OF CHAPTER 10.08, ZONING REGULATIONS, OF TITLE 10, PLANNING AND ZONING, OF THE TRACY MUNICIPAL CODE, TO AMEND THE CENTRAL BUSINESS DISTRICT ZONE TO ALLOW USE GROUP 33 AS A PERMITTED USE, ESTABLISH A BUILDING HEIGHT LIMIT, ADD LANGUAGE REGARDING THE MINISTERIAL REVIEW PROCESS, AND ELIMINATE PARKING REQUIREMENTS.

WHEREAS, Pursuant to Section 10.08.3470(c) of the Tracy Municipal Code, buildings enlarged, reconstructed, remodeled or structurally altered in the CBD zone shall either provide parking, or pay an in-lieu fee as set by Council resolution for the purpose of providing parking in the CBD zone; and

WHEREAS, On October 6, 2015, City Council adopted Resolution No. 2015-168, which approved a reduction of the CBD Zone parking in-lieu fee to \$0 as a five-year pilot program with an ending date of October 6, 2020, and a check-in point with City Council at three years to gauge its effect on the Downtown and provide an opportunity to reexamine the fee amount in the future; and

WHEREAS, The five-year pilot program applied to all buildings in the CBD Zone, including new buildings, modifications to existing buildings, and tenant changes; and

WHEREAS, On July 16, 2019, Tracy City Council approved a five-year extension to the CBD Zone Parking In-Lieu Fee Pilot Program, which revised the ending date of the program to October 6, 2025, and amended Resolution No. 2015-168 to be consistent with the approval; and

WHEREAS, Article 18, Central Business District (CBD) Zone, of Chapter 10.08 of the Tracy Municipal Code establishes the permitted uses, conditionally permitted uses, and development standards of the CBD Zone; and

WHEREAS, The CBD Zone, of Chapter 10.08 of the Tracy Municipal Code, was last amended by Ordinance No. 1282, effective January 21, 2020, to permit high density residential uses; and

WHEREAS, On October 1, 2024, Tracy City Council approved the Downtown Vision Plan; and

WHEREAS, The Downtown Vision Plan strategy includes amending the Central Business District zoning standards separately from the Downtown Vision Plan; and

WHEREAS, Updates to the Central Business District Zoning Standards were determined to be the most direct and effective response to priorities expressed by community and business leaders for downtown revitalization, as identified in the October 1, 2024 City Council meeting; and

WHEREAS, The desired updates to the Central Business District Zoning Standards included establishing a streamlined development review process to spur economic growth, provide consistent guidance on parking standards, establish maximum building heights, update the allowed uses in Downtown, and effectively integrate housing and mixed uses; and

WHEREAS, City Council directed staff to bring the updated CBD zoning standards to Planning Commission and City Council for consideration in 2025; and

WHEREAS, Staff is proposing amendments to the CBD zoning standards to implement the Downtown Vision Plan, satisfy community input, and comply with City Council direction; and

WHEREAS, the proposed amendments include the addition of a new specified regulation stating that the CBD Zone is to provide effective integration of residential and commercial mixed uses for the City; and

WHEREAS, the proposed amendments include the addition of Use Group 33, Specialized recreational and institutional uses in dance, athletics, arts, and self-defense, as a permitted use without conditional approval; and

WHEREAS, the proposed amendments include a revision to the height requirement, establishing a new maximum height limit of 50 feet, or 4 floors, whichever is less; and

WHEREAS, the proposed amendments include a revision to the existing parking standards to establish a no minimum parking standard in addition to an exemption from Article 26, Off-Street Parking Requirements; and

WHEREAS, the proposed amendments include the addition of new language regarding a ministerial streamlined review pathway for qualifying residential projects, established in Chapter 10.10, Housing Regulations; and

WHEREAS, the ordinance is not a project within the meaning of Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that the ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment; and

WHEREAS, the Planning Commission considered this matter at a duly noticed public hearing held on December 3, 2025, and recommended that the City Council adopt the ordinance; and

WHEREAS, The City Council considered this matter at a duly noticed public hearing held on December 16, 2025; and

WHEREAS, the proposed revisions to the Tracy Municipal Code are in track changes or with ~~deletions stricken~~ and additions in bold and underline in the below referenced Exhibits.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TRACY DOES
ORDAIN AS FOLLOWS:**

SECTION 1. Incorporation of Recitals/Findings. The foregoing recitals are true and correct and are incorporated herein as findings.

SECTION 2. CEQA Determination. The City Council finds and determines this Ordinance is not a project within the meaning of Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change in the environment, either directly or ultimately. In the event that this Ordinance is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty to have no possibility of a significant effect on the environment.

SECTION 3. Amendment to Tracy Municipal Code, Title 10, Chapter 10.08,

Article 5. The City Council hereby approves the zoning text amendment to Article 5 – Use Groups for All Zones, as attached to this Ordinance as Exhibit “A” and incorporated by reference as if fully set forth herein. This zoning text amendment made by this ordinance shall be codified in the Tracy Municipal Code.

SECTION 4. Amendment to Tracy Municipal Code Title 10, Chapter 10.08,

Article 18. The City Council hereby approves the zoning text amendment to Article 18 – Central Business District Zone (CBD), as attached to this Ordinance as Exhibit “B” and incorporated by reference as if fully set forth herein. This zoning text amendment made by this ordinance shall be codified in the Tracy Municipal Code.

SECTION 5. Amendment to Tracy Municipal Code, Title 10, Chapter 10.08,

Article 26. The City Council hereby approves the zoning text amendment to Article 26 – Off-Street Parking Requirements, as attached to this Ordinance as Exhibit “C” and incorporated by reference as if fully set forth herein. This zoning text amendment made by this ordinance shall be codified in the Tracy Municipal Code.

SECTION 9. Effective Date. This Ordinance shall take effect 30 days after its final passage and adoption.

SECTION 10. Publication This Ordinance shall either (1) be published once in a newspaper of general circulation, within 15 days after its final adoption, or (2) be published in summary form and posted in the City Clerk’s office at least five days before the ordinance is adopted and within 15 days after adoption, with the names of the Council Members voting for and against the ordinance. (Gov’t. Code §36933.)

SECTION 11. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 12. Typographical or Clerical (Scrivener’s) Error. Any typographical errors in this Ordinance may be remedied by the City Attorney with the assistance of the City Clerk and shall not constitute an alteration.

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the 16th day of December, 2025, and finally adopted on the _____ day of _____, 2025, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DAN ARRIOLA
Mayor of the City of Tracy

ATTEST: _____

APRIL B. A. QUINTANILLA
City Clerk and Clerk of the Council of the City of Tracy

Date of Attestation: _____

Article 5. – Use Groups for All Zones**10.08.1080 Permitted uses.**

...

(33) Use Group No. 33: Specialized recreational and instructional uses in dance, athletics, arts and self defense.

	Permitted in Zones	Conditionally Permitted in Zones
Specialized recreational and instructional uses in dance, athletics, arts and self defense include, but are not limited to:	GHC CBD	CBD CS M1 NS
(a) Aerobics;		
(b) Dance;		
(c) Drama/theater group (excluding performances and spectators);		
(d) Gymnastic studios;		
(e) Martial arts/self defense;		
(f) Music; and		
(g) Weight training.		

...

(Ord. 1050 § 1, 2003; Ord. 1004 § 2, 1999; Ord. 982 § 5, 1998; prior code § 10-2.503)

(Ord. No. 1171, § 3, 6-19-2012; Ord. No. 1177, §§ 7, 8, 1-15-2013; Ord. No. 1202, Exh. A § 12, 12-1-2015; Ord. No. 1202, Exh. A § 18, 12-1-2015; Ord. No. 1254, § 5, 5-1-2018; Ord. No. 1354, § 5, 3-18-2025)

Article 18. Central Business District Zone (CBD)

10.08.2360 Purpose (CBD).

The Central Business District (CBD) Zone is to provide areas in which the forces of cumulative attraction or the need for comparison shopping may take place.

(Prior code § 10-2.1800)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2370 Descriptive regulations (CBD).

In the CBD Zone, the following specified regulations shall govern, unless otherwise provided in this chapter:

- (a) The CBD Zone is to provide an area in which pedestrian-oriented establishments may locate and the forces of cumulative attraction or the need for comparison shopping may take place.
- (b) The CBD Zone is to provide commercial business, service, and office facilities for the convenience of residents of the entire City.
- (c) The CBD Zone is to provide the retail core and cultural focus for the City.
- (d) The CBD Zone is to provide high density residential in close proximity to Downtown businesses and public gathering spaces.
- (e) **The CBD Zone is to provide effective integration of residential and commercial mixed uses for the City.**

(Prior code § 10-2.1801)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2380 Permitted uses (CBD).

- (a) In the CBD Zone, only general business, commercial, wholesale, high density residential, and governmental activities, which are included in the following use groups, shall be permitted without conditional approval:

Group 1	Minor public service uses;
Group 4	Temporary buildings and uses;
Groups 21, 22, 23, 24	Single-family dwellings, two-family dwellings, and multi-family dwellings, except that there shall be no residential uses on the ground floor of buildings with elevations that face the following: (1) Central Avenue between 11 th Street and 6 th Street, (2) 10 th Street between Central Avenue and A Street, or (3) Front Street Plaza at 6 th Street, excluding the eastern 110 feet

	of the block which faces a parking island within the 6 th Street public right-of-way;
Group 29	Accessory uses, including signs;
Group 33	Specialized recreational and instructional uses in dance, athletics, arts and self defense include, but are not limited to: (a) <u>Aerobics,</u> (b) <u>Dance,</u> (c) <u>Drama/theater group (excluding performances and spectators),</u> (d) <u>Gymnastics studios,</u> (e) <u>Martial arts/self defense,</u> (f) <u>Music; and</u> (g) <u>Weight training.</u>
Group 40	Travelers' living accommodations, except for uses listed as (c-2), Eating and/or drinking establishment that serves alcohol and provides entertainment after 11:00 p.m.;
Group 41	Business offices and professional offices and laboratories;
Group 42	Retail trade establishments; except veterinary clinics;
Group 43	Consumer service and retail trade establishments, except for uses listed as (c-2), Eating and/or drinking establishment that serves alcohol and provides entertainment after 11:00 p.m.; and
Group 54	Small recycling collection facilities.

(b) In the CBD Zone, general business, commercial, wholesale, and governmental activities which are included in the following use groups shall be permitted only with conditional approval:

Group 2	Local public service and utility installations;
Group 10	Crop and tree farming;
Group 29	Accessory uses;
Group 30	Places of public assembly such as educational, cultural, institutional, religious, and recreational uses serving local residential areas, excluding uses that are classified within Use Group No. 48;
Group 31	Educational, cultural, institutional, and recreational uses;
Group 32	Educational, cultural, institutional, and recreational uses with special site or locational requirements;
Group 40	Traveler's living accommodations, except trailer parks and uses listed as (c-2), Eating and/or drinking establishment that serves alcohol and provides entertainment after 11:00 p.m.;
Group 43	Consumer service and retail trade, subsection (c-2), Eating and/or drinking establishment that serves alcohol and provides entertainment after 11:00 p.m.;
Group 44	Consumer service and retail trade establishments; and
Group 45	General consumer and business services, miscellaneous repairs, and catering services only.

~~adv-6a~~ (Ord. 1050 § 6, 2003; Ord. 1004 § 3, 1999; prior code § 10-2.1802)

(Ord. No. 1177, § 10, 1-15-2013; Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2390 Building site area (CBD).

There shall be no building site area requirements in the CBD Zone.

(Prior code § 10-2.1803)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2400 Lot area (CBD).

There shall be no lot requirements in the CBD Zone.

(Prior code § 10-2.1804)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2405 Density (CBD).

There shall be at least 700 square feet of net lot area and no more than 2,500 square feet of net lot area for each dwelling unit in the CBD Zone.

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2410 Yard areas (CBD).

There shall be no yard area requirements in the CBD Zone, except adjacent to residential zones, in which case a fifteen-foot front yard shall be provided.

(Prior code § 10-2.1805) 10.08.2410

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2420 Height (CBD).

There shall be no height requirements a maximum height of 50 feet, or 4 floors, whichever is less, in the CBD Zone.

(Prior code § 10-2.1806)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2430 Permissible lot coverage (CBD).

There shall be no lot coverage requirements in the CBD Zone.

(Prior code § 10-2.1807)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2440 Floor area (CBD).

There shall be no floor area requirements in the CBD Zone, except that the minimum floor area for a single-family dwelling shall be 500 square feet.

(Prior code § 10-2.1808)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2450 Off-street parking (CBD).

~~See Article 26 of this chapter. A twenty (20) percent reduction in the required parking area, as required by the provisions of Article 26 of this chapter, will be permitted if seventy (70) percent of this area is used for pedestrian-oriented open space (mall). Developers interested in receiving such reduction shall submit plans for pedestrian-oriented open space to the Commission for approval prior to review by the Community Development Director. A five (5) percent reduction in required parking area will be permitted if one or more property owners provide public rest areas and direct telephone communication for public transit riders. **There shall be no minimum parking standards. New buildings, modifications to existing buildings, and tenant changes shall be exempt from parking requirements provided in Article 26 of this chapter.**~~

(Prior code § 10-2.1809)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2460 Usable open space (CBD).

(See Section 10.08.2450 of this article.)

(Prior code § 10-2.1810)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2470 Loading and unloading space (CBD).

Loading and unloading areas in the CBD Zone shall be indicated and provided for at the rear of the buildings or upon adjoining alleys.

(Prior code § 10-2.1811)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

10.08.2480 Development review (CBD).

All uses requiring a building permit shall obtain development review compliance, except as provided for in Article 30 of this chapter and the CEQA Guidelines adopted by the City, prior to being established in the CBD Zone. Additionally, any new residential development in the CBD Zone shall be subject to development review, including any new single-family dwellings, two-family dwellings, or multi-family dwellings, regardless of the number of units, unless the residential development qualifies for a ministerial streamlined review as described in Chapter 10.10, Housing Regulations.

(Prior code § 10-2.1812)

(Ord. No. 1282, § 1(Exh. 1), 1-21-2020)

Article 26. – Off-Street Parking Requirements

10.08.3470 Exceptions.*

Exceptions to the determination of the required parking spaces and landscaping area are:

...

(c) Every building hereafter enlarged, reconstructed, remodeled or structurally altered shall be provided with parking spaces to compensate for the additional parking demand, if any, created by such enlargement, reconstruction, remodeling, or structural alteration, excluding those located in the CBD zone. Buildings enlarged, reconstructed, remodeled or structurally altered in the CBD zone shall ~~provide parking, or pay an in-lieu fee as set by Council resolution for the purpose of providing parking in the CBD zone.~~ **be exempt from parking requirements.** Landscaping and improvement standards contained within Sections 10.08.3640 and 10.08.3670 shall be required for such new parking areas. Landscaping shall be distributed throughout the site for which additional parking is intended in a manner satisfactory to the Director of Community Development.

...

(Prior code § 10-2.2603 as amended by § 1, Ord. 954 C.S., eff. June 14, 1997)

(Ord. No. 1181, § 1, 1-15-2013)