



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

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MEETING DATE: April 14, 2026

SUBJECT: Conduct Second Reading and Adopt Ordinance No. 1619, Approving Zone Change (Case No. ZC 22-3502) to Amend the Zoning of Approximately 41 acres of Land Owned by Mount San Jacinto Community College District Located Near the Southeast Corner of Westward and Sunset Avenues from Public Facilities-Schools (PF-S) to Very High Density Residential (VHDR) to Transfer Density of Not Less Than 1,146 Residential Units from the Sunset Crossroads Specific Plan

RECOMMENDATION:

Conduct second reading and Adopt Ordinance No. 1619

BACKGROUND:

PROJECT APPLICANT:

City of Banning

209 East Ramsey Street

Banning, CA 92220

CITY COUNCIL ACTION SUMMARY:

On March 10, 2026, the City Council held a continued public hearing for the Sunset Crossroads project that included a General Plan Amendment, a Specific Plan, Zone Change, Development Agreement, Tentative Parcel Map, and an Environmental Impact Report covering the Specific Plan Area (including the proposed GPA and ZC of 41 acres at the southeast corner of Westward Avenue and Sunset Avenue). After the public hearing was closed and the Council deliberated, the City Council adopted resolutions to certify the Environmental Impact Report, and approved the General Plan Amendment, Specific Plan, and Tentative Parcel Map.

On March 24, 2026, the City Council held a continued public hearing for the Residential Density Transfer, which included a General Plan Amendment and Zone Change of property at the southeast corner of Westward and Sunset Avenues owned by the Mt. San Jacinto Community College District. The Council held a public hearing, closed the hearing, deliberated on the matter, and adopted a General Plan Amendment that changed the land use designations of approximately 41 acres at the southeast corner of Westward Avenue and Sunset Avenue from Public Facilities - Schools (PF-S) to Very High Density Residential (VHDR).

The Council also adopted Ordinance No. 1619, for first reading, approving the proposed Zone Change, to match the GPA, from PF-S to VHDR, to ensure sufficient land and development density to accommodate the 1,146 residential units and to be compliant with the No Net Loss Law. Below is the project summary of the General Plan Amendment land use changes and Zone Change presented at the March 24, 2026, meeting.

PROJECT SUMMARY:

NP Banning Industrial, LLC submitted multiple entitlement applications for approval of the Sunset Crossroads Specific Plan, which will appear at public hearings as a separate public hearing item. Approval of the proposed new Specific Plan Project will result in approximately 141.2 acres of existing residentially zoned properties within the City of Banning to convert to commercial and industrial land uses. The City has determined that adoption of a General Plan Amendment and Zone Change for the Sunset Crossroads Project would result in the reduction of the City's residential capacity by a maximum of 1,146 units. This is a conservative estimate because it assumes the maximum number of units that could be developed and developments typically do not achieve maximum density due to a variety of factors, including topography and infrastructure requirements.

State law, set forth in California Government Code Section 66300 et seq., requires that the City identify and rezone other land in the City concurrently with adoption of the Sunset Crossroads Project to ensure 'no net loss' of the City's residential development capacity. The City has therefore identified 41-acres of the 49.2-acre site located adjacent to the Sunset Crossroads development site, east of Sunset Avenue and south of Westward Avenue (MSJC Site), that is owned by the Mt. San Jacinto Community College District (MSJCCD) for that purpose. A portion of the MSJC site houses the existing MSJCCD San Geronio Campus.

To avoid a net loss to the City's residential capacity that would otherwise occur if the Sunset Crossroads Specific Plan Project is approved, the City is proposing to concurrently amend the general plan land use designation and change the zoning classification of the approximately 41 acres of the MSJC site to Very High Density Residential, which would permit residential development from 24 to 30 dwelling units per acre, which would create capacity for no less than 1,146 units at the MSJC site.

The proposed amendments are: (1) General Plan Amendment (GPA) 22 -2502; and (2) Zone Change (ZC) 22-3502, which together would change the land use designation and zoning of the MSJC Site from PF-S (Public Facilities-Schools) to Very High Density Residential (VHDR) with a density range of 24 to 30 dwelling units per acre (24-30 DU/AC).

No residential development on the MSJC site has been proposed nor is any application pending. If the site is developed in the future, it would occur under the VHDR designation and in conformance with the applicable development standards found in the City's General Plan and Zoning Ordinance. For example, the City's VHDR land use designation allows for development condominiums, townhomes, and apartments, or a combination of these types, along with the provision of common area amenities and open space. The City's regulations also provide for clustering of such units development of a new specific plan to provide for orderly development or provide for adequate public infrastructure (i.e., roads, storm drain, electricity, sewer, potable and recycled water availability).

Chapter 5 of the Draft EIR evaluates the environmental impacts of the MSJC Entitlements at a programmatic level. Approval of the proposed MSJC entitlements will effectively serve to avoid any net loss of residential capacity and would not result in an increase in capacity or number of residential units in the City. Therefore, the proposed MSJC entitlements are consistent with existing City planning documents and baseline assumptions identified in the environmental impact report, with only the location of the residential uses changing. A programmatic level analysis of potential environmental impacts pertaining to the MSJC entitlements and cumulative analysis was analyzed in the Final EIR and is provided in Chapters 5.0 and 6.0 of the Sunset Crossroads Specific Plan EIR. The Sunset Crossroads development project is discussed in detail in the project-level analysis of the development project in

Chapter 3.0 of the Environmental Impact Report (EIR). The use of this EIR as both a project-level and programmatic-level document is detailed in Chapter 1.0 of the EIR.

PROJECT DESCRIPTION:

The MSJC Site totals 49.2 acre and is located at the southeast corner of Sunset Avenue and Westward Avenue. The MSJC campus - including structures, off-street parking, and other features - is located on 3 parcels (APNs 537-140-001, 537-140-002 and 537-140-003) that constitute approximately 8.3 acres. The remaining 41-acres is undeveloped sage scrub, grassland, and water habitats. Pershing Creek crosses Sunset Avenue from the west, bordering the southern portion of the MSJC site.

Project setting for the MSJC Site:

North: Westward Avenue is located in the City, directly north of the MSJC Site, and a single- family residential neighborhood is located north of Westward Avenue. Land to the north of the MSJC Site has a City of Banning General Plan Land Use Designation and Zoning Classification of Medium Density Residential (MDR) (0-10 DU/AC).

West: Sunset Avenue is located west of the MSJC Site and to the west of Sunset Avenue is the Sunset Crossroads development site. Currently, property west of Sunset Avenue and south of the Sun Lakes Boulevard Extension is within the City's SOI and will be annexed into the City upon approval of the Development Project.

East: Land to the east of the MSJC site is within the City but not developed and is occupied by natural vegetation and natural topography. A small, 0.11-acre area of land to the east of the MSJC site is occupied by a well and water reservoir that is fenced on its perimeter. Land to the east of the MSJC site has a City of Banning General Plan and Zoning designation of Specific Plan. The approved Rancho San Gorgonio Specific Plan (RSG SP or RSG site) encompasses 831 acres and envisions the creation of a master planned community offering up to 3,385 residential units, as well as commercial uses, public facility, school, and public open space uses.

South: Land to the south of the MSJC Site within the City is undeveloped and is occupied by natural vegetation and natural topography. This area is General Plan designated and zoned Specific Plan. The natural drainage of Pershing Creek is also located south of the MSJC Site, within the approved RSG SP.

JUSTIFICATION:

Section 17.116.030 of the Banning Municipal Code provides that the City Council shall make a written recommendation on a proposed amendment to the Zoning Ordinance (Title 17) whether to approve, approve in modified form, or disapprove based upon their findings. An analysis of the required findings for Zone Change, Case ZC 22-3502, is provided for City Council consideration as follows:

Finding A: The proposed Amendment is consistent with the goals and policies of the General Plan.

Findings of Fact: The Zone Change would implement the related General Plan amendment and is therefore consistent with the policies of the General Plan for the reasons discussed above.

Finding B: The proposed Amendment is internally consistent with the Zoning Ordinance.

Findings of Fact: The proposed Zone Change will transfer residential density from one project site to the subject site to accommodate a commercial/industrial development project. The proposed amendment will provide consistency with state housing law in that it ensures no net loss in the residential development capacity identified in the City's General Plan, and the proposed density range is from 24 to 30 dwelling units per acre, consistent with the Zoning Ordinance and development standards for the Very High Density Residential zone.

Finding C : That the City Council has independently reviewed and considered the requirements of the California Environmental Quality Act.

Findings of Fact: A Programmatic Analysis for the MSJC entitlements is contained in Chapter 5 of the Sunset Crossroads Specific Plan FEIR, in accordance with CEQA. The City Council has conducted an independent review of the FEIR and the City Council approves the project and programmatic EIR that has been prepared for the Project.

Environmental Determination

On March 10, 2026, the City Council adopted Resolution No. 2026-28 certifying the Environmental Impact Report for the Sunset Crossroads Specific Plan Area, including the adjacent Mt. San Jacinto College GPA and ZC project area. A copy of Resolution No. 2026-28 is attached for reference. The Draft EIR and Appendices, Final EIR, Appendices, Findings and Mitigation Monitoring and Reporting Program can be found here:

<https://www.banningca.gov/762/Sunset-Crossroads-Specific-Plan>

On April 1, 2026, a Notice of Determination, for the Sunset Crossroads and MSJC project sites, was filed with the Riverside County Assessor-County Clerk-Recorder's office where the Applicant paid the \$4,227.50 California Department of Fish and Wildlife filing fee and the \$50.00 County Clerk Handling Fee. A supplemental Notice of Determination will be filed with the Riverside County Assessor-County Clerk-Recorder's office after the adoption and second readings of Ordinance Nos. 1618, 1620, and 1619.

FISCAL IMPACT:

A motion to deny or approve the proposed project would not result in a direct impact on the City's General Fund. The project will transfer development rights of residential units to the Mt. San Jacinto College, but the City does not have a project application filed for the development of those units. State university and community college owned properties are not assessed property taxes, and in turn housing on MSJC property will not generate property tax for the city. However, the indirect fiscal benefit of siting housing adjacent to an educational institution could make post-secondary education more accessible to residents of the San Geronio Pass region.

ATTACHMENTS:

1. [6.5a ZC CC Ordinance No. 1619.pdf](#)
2. [6.5b GPA22-2502 ZC22-3502 Vicinity Map MSJC.pdf](#)
3. [6.5c GPA22-2502 ZC22-3502 Existing Zoning MSJC.pdf](#)
4. [6.5d GPA22-2502 ZC25-3502 Aerial Map MSJC.pdf](#)
5. [6.5e CC Resolution No. 2026-28.pdf](#)
6. [6.5f Sunset Crossroads MSJC NOD 3-25-26_County Filed 4-1-26.pdf](#)