



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

PREPARED BY: Mark Staples, Planning Manager
Matt Bassi, Interim Community Development Director

MEETING DATE: June 23, 2026

SUBJECT: Ten Year Review of the Development Agreement between Tri Pointe Homes and the City of Banning Regarding the Development of the Atwell Project within the Butterfield Specific Plan.

STAFF RECOMMENDATION:

Receive and file

BACKGROUND:

Government Code Section 65865.1 requires that development agreements include provisions requiring periodic review at least every 12 months, at which time the applicant, or successor in interest thereto, must be required to demonstrate good faith compliance with the terms of the agreement. Section 65865.1 also states that if, as a result of such periodic review, the local agency finds and determines, on the basis of substantial evidence, that the applicant or successor in interest thereto has not complied in good faith with terms or conditions of the agreement, the local agency may terminate or modify the agreement. This is the Ten Year Review of the Development Agreement between Tri Pointe Homes (TPH, formerly Pardee Homes) and the City of Banning.

The Ten Year Review requirements for the Butterfield Specific Plan Project are set forth in Section 6.6 of the Development Agreement for the Project. In accordance with Section 6.6 (page 21) of the Development Agreement between the City of Banning ("City") and Tri Pointe Homes ("Developer"), which was entered into on March 27, 2012, with a subsequent revised effective date of February 9, 2015. Director David Newell conducted the last annual review on October 14, 2025. Director Newell notified the Council that the 10-Year Review would be provided in early 2026. However, the shortage in Community Development staffing delayed the review.

On April 15, 2026, City staff met with TPH to discuss the expectations and format of the Ten Year Review document and submission. Prior annual reviews focused primarily on the sections of the development agreement that could be considered the action items. Sections 4 through 9 are the action items of the DA that involve development impact fees, the formation of financing districts, construction timing and completion milestones, impact fee and TUMF credits, dedications and conveyances, processing of permit applications and timely reviews. For the Ten Year Review, the City and TPH agreed to expand on all sections and provide either a summation of the DA section and/or provide more detail into the section, particularly progress details such as for the number of residential units completed.

The Atwell Ten Year Anniversary Development Agreement Review letter is attached for review. The first draft of the Ten Year Review letter was submitted on May 11, 2026. Matt Bassi, Interim Community Development Director, and Mark Staples, Planning Manager, provided comments, corrections, and

recommended revisions to the letter on May 18, 2026. TPH resubmitted a final strikethrough and underline draft of the letter with their revisions and further discussion in sections, per staff direction.

City staff has determined and finds that the Developer has delivered the necessary information, reasonably requested by the City, regarding the Developer's performance under the Agreement. Staff has reviewed the information requested, performed a series of site inspections, conducted several meetings internally and with the Developer, and determined that the Developer has, and continues to, demonstrate compliance with the Agreement. Based on the review, staff has also determined that the Developer is implementing the Development Agreement in good faith, and continues to comply with the provisions and regulations of the adopted Specific Plan, the certified Environmental Impact Report prepared for the Project, and the existing land use regulations applicable to the Project as set forth in the Banning Municipal Code and the Butterfield Specific Plan.

JUSTIFICATION:

After reviewing TPH's Ten Year Review update on the progress of the DA, staff concurs that the Atwell project is being carried out in good faith and in accordance with the terms of the Development Agreement. After conducting the public hearing on the Ten Year Review of the Development Agreement, it is recommended that the Council receive and file this matter. The next annual review will be presented to the City Council in February 2027.

NOTE: In accordance with Section 6.2.4 of the DA, the applicant was required to demonstrate a good faith effort during the first five (5) year period to market the commercial site (Planning Area 18) for sale or lease to a suitable user. As of the date of this report, staff has been notified by Regency Centers of their interest to develop the commercial site. Their intention is to submit a development review application by July 1, 2026. Staff anticipates that TPH will help facilitate the submission and processing of the design review application package (See Page 4 of Ten Year Review Letter "Third Bullet Point").

Public Communication:

On June 12, 2026, a notice of public hearing was published in the Record Gazette, a newspaper of general circulation within the City of Banning, notifying the public that the subject review would be considered by the City Council at a public hearing on June 23, 2026. As of the time of the writing of this staff report, no public comments were received.

FISCAL IMPACT:

N/A

ATTACHMENTS:

1. [7.1a Atwell - Ten Year DA Review_5-11-26 Final Draft.pdf](#)
2. [7.1b Dev Agree.Pardee 7-17-12.pdf](#)
3. [column_affidavit_gf71xNbH24MIQA1Wymnj.pdf](#)