



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

PREPARED BY: Mark Staples, Planning Manager

MEETING DATE: March 24, 2026

SUBJECT: Continued from the March 10, 2026, meeting - Consideration of an Application by the City of Banning, CA for General Plan Amendment (Case No. GPA 22-2502) and Zone Change (Case No. ZC 22-3502) to Amend the Land Use Designation and 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 PF-S (Public Facilities-Schools) to Very High Density Residential (VHDR) to Transfer Density of Not Less Than 1,146 Residential Units from the Sunset Crossroads Specific Plan.

RECOMMENDATION:

STAFF RECOMMENDATION:

1. Adopt Resolution No. 2026-33, approving General Plan Amendment No. 22-2502; and
2. Adopt Ordinance No. 1619, approving Zone Change No. 22-3502

PLANNING COMMISSION RECOMMENDATION:

1. Adopt Resolution No. 2026-32, denying General Plan Amendment No. 22-2502 and Zone Change 22-3502 as recommended by the Planning Commission

BACKGROUND:

PROJECT APPLICANT:

City of Banning
99 East Ramsey Street
Banning, CA 92220

FEBRUARY 26, 2026, CITY COUNCIL MEETING SUMMARY:

At the February 26, 2026, City Council meeting, City Attorney John Pinkney announced that there were additional revisions to the proposed Development Agreement that had not been made available for review by the City Attorney, City Council, or the public. Mayor Royce made a motion to table the item and continue to the next regular meeting on March 10, 2026, Councilmember Miller seconded the motion and the motion passed 5-0.

JANUARY 28, 2026, CITY COUNCIL MEETING SUMMARY:

At the January 13, 2026, City Council meeting, a public hearing was opened and closed for this project, comments from the public were received, and the Council asked questions of the project applicant. Council Member Miller motioned to continue the item to the next meeting, with Mayor Royce seconding

the motion. The questions asked at the January 13 meeting include:

1. Was Mt. San Jacinto College involved in the review process?

The previous Community Development Directors were in communication with the College during the process. Planning Manager Mark Staples held a follow-up Teams call, on February 6, 2026, with Dr. Roger Schultz, Superintendent/President, and Michael Beckham, VP Business Services, of MSJC. The College has not taken a position either in favor of or in opposition to the transfer of development rights or the zone change and general plan amendment to the surplus school properties. Attached is a letter from MSJC, dated February 17, 2026.

2. Will the transfer of the 1,146 residential units be units lost for the City?

The Planning Department will be required to report the transfer of development rights annually to the state Department of Housing and Community Development (HCD) with each Annual Progress Report (APR) until such time the units are realized and developed.

BACKGROUND:

NP Banning Industrial, LLC has 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 Gorgonio 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.

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:

FINDINGS:

REQUIRED FINDINGS FOR GENERAL PLAN AMENDMENT

Section 17.64.070 of the Banning Municipal Code (BMC) requires that General Plan Amendment applications meet certain findings prior to approval by the City Council. An analysis of the required findings for General Plan Amendment, Case GPA 22-2502, is provided for City Council consideration as follows:

Finding A: That the proposed amendment is internally consistent with the General Plan.

Findings of Fact: California Government Code Section 65302 requires that a General Plan consist of seven (7) State-mandated elements, including Land Use, Circulation, Housing, Conservation, Open Space, Noise, and Safety. The Land Use Element is one of the seven State-mandated elements of the General Plan and includes the Land Use Map for the City of Banning. The Land Use map and the Zoning map are 100% consistent with one another and, therefore, the same map doubles to serve both purposes. The transfer of residential density is consistent with state law, and with programs contained in the certified Housing Element.

The General Plan Land Use Map Amendment and Zone Change would allow for potential development of very high-density residential units that will provide greater diversity of housing across income levels and housing types including affordable housing opportunities as required for the General Plan land use map. The proposed amendments would also be consistent with the nearby residential development, the school use currently on the site, and the commercial development and job opportunities afforded by the commercial and industrial development within the proposed Sunset Crossroads Specific Plan.

Finding B: That the proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

Findings of Fact: The proposed General Plan Land Use Map Amendment and Zone Change will allow for the orderly development of the proposed Sunset Crossroads development project in an industrial area, further strengthening economic development and job opportunities, while allowing for housing opportunities adjacent to a higher-education campus and ensuring there would be no net loss in the City's residential development capacity. The potential residential development on the MSJC proposed amendment is not anticipated to cause detrimental impacts to the public interest, health, safety, convenience, or welfare of the City, while preserving affordable, high density residential uses by transferring the residential density to the subject site, ensuring there will be no net loss of residential development capacity.

Finding C: That the proposed amendment would maintain the appropriate balance of land uses within the City.

Findings of Fact: Table III -3, of the Community Development Chapter of the City's General Plan details that 252.1 acres of vacant land is designated as General Commercial, and 274.1 acres of vacant land is designated as Industrial. The approval of the Sunset Crossroads Specific Plan would increase the amount of vacant General Commercial land by 47.9 acres, and will increase the amount of vacant Industrial land by 392 acres, which provide a statistically significant positive change in the balance of vacant non -residential land uses within the City. With the proposed amendment, residential density will transfer adjacent to a higher-education campus and create additional housing opportunities for students, entry-level homes and increase the variety of housing options in the City. As such, the balance of land use designations will not be negatively impacted by the Project.

Finding D : The amendment is physically suitable for the surrounding environment; including, but not limited to site access, the provision of utilities, and compatibility with adjoining land uses, including the absence of any physical constraints, for the requested land use designation(s) and the anticipated land use development(s).

Findings of Fact: The land use amendment will not adjust or change the physical characteristics of the parcels, as there are currently no development proposals for the MSJC property. The existing backbone infrastructure, such as sewer, water, electricity, and other utilities, is in place to service the project location, and future development of the project site will dedicate additional right-of-way along the frontage of Sunset and Westward Avenues to accommodate widening to the General Plan Circulation Element ultimate configuration for these street segments. Any future residential development of the MSJC site would be designed to meet City standards, which provide satisfactory pedestrian and vehicular circulation, including emergency vehicle access and on-site improvements, streets, utilities, and drainage facilities consistent with the City's General Plan.

The Project will implement Policy 8 of the Community Development Chapter of the General Plan, which requires that the City assure the provision of adequate utilities, infrastructure, and other capital facilities” (General Plan, Page III-44).

The Project will implement Program 4.B, which “requires the City make regular assessments of infrastructure capacity and evaluate the necessary expansion and improvements needed to carry out responsible growth management” (General Plan, Page VI-19).

REQUIRED FINDINGS FOR AMENDMENT TO TITLE 17 (ZONING)

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:

The proposed General Plan Amendment, Case GPA 22-2502 and Zone Change, Case ZC 22-3502, are entitlements for a residential density transfer to the MSJC Site from the related Sunset Crossroads Specific Plan Project. Both projects have been evaluated in an Environmental Impact Report that was prepared for the Sunset Crossroads Specific Plan, both projects are to be heard by the City Council, and both projects are intended to be scheduled together at a future City Council public hearing. Procedurally, the City Council may adopt Resolutions and certification of the Final Environmental Impact Report for the Sunset Crossroads Specific Plan, that pursuant to CEQA Guidelines Section 15162, the proposed MSJC entitlements are consistent with the analysis contained in the FEIR, and therefore, no further analysis is required.

The Sunset Crossroads FEIR contains both a project-level and a programmatic-level of review. The Sunset Crossroads Development Project described in Chapter 4.0 of the FEIR is analyzed at a project level of detail consistent with CEQA Guidelines Section 15161 and considers the changes in the environment that would result during construction and operation of the development project. The MSJC entitlements are analyzed at a programmatic level, consistent with CEQA Guidelines §15168 because no specific development project is currently proposed for the MSJC site, but they are logical parts in the chain of contemplated actions. Consistent with the requirements set forth in Public Resources Code

Section 21068.5 and CEQA Guidelines Sections 15152 and 15168(c), later activities could be tiered from, and would be examined in light of, the information in the programmatic analysis. The City would use the Sunset Crossroads FEIR to determine whether impacts of future development on the MSJC Site have been addressed in the analysis and whether or not additional environmental analysis shall be required. If an additional environmental document is necessary, under Section 15168(c)(1) of the CEQA Guidelines, and under tiering provisions in Public Resources Code Section 21068.5 and CEQA Guidelines Section 15152(a), it would incorporate the discussion, and applicable mitigation measures from the FEIR and focus the analysis on site specific issues not previously or sufficiently addressed. Such programmatic analysis is intended to assist the City in streamlining environmental documentation for future development projects at the MSJC Site that could tier from the FEIR. Factors to be used in determining whether subsequent environmental review is required include but are not limited to whether the subsequent, project- level development is within the scope of the MSJC entitlements, consistency of the later activity with the type of allowable land use, overall planned density and building intensity, geographic area analyzed for environmental impacts, and covered infrastructure described in the FEIR, and whether impacts from development of residential uses on the MSJC site have been fully analyzed and mitigated to less than significant in the programmatic analysis.

Sections 4.1 through 4.20 of the Sunset Crossroads FEIR described the environmental setting of the development project and the impacts that are expected to result from implementation of the development project. Mitigation measures are proposed to reduce potential impacts where appropriate. The environmental issues addressed included:

- 4.1 Aesthetics
- 4.2 Agriculture and Forestry Resources
- 4.3 Air Quality
- 4.4 Biological Resources
- 4.5 Cultural Resources
- 4.6 Energy
- 4.7 Geology and Soils
- 4.8 Greenhouse Gas Emissions
- 4.9 Hazards and Hazardous Materials
- 4.10 Hydrology and Water Quality
- 4.11 Land Use and Planning
- 4.12 Mineral Resources
- 4.13 Noise
- 4.14 Population and Housing
- 4.15 Public Services
- 4.16 Recreation
- 4.17 Transportation
- 4.18 Tribal Cultural Resources

4.19 Utilities and Services

4.20 Wildfire

A Programmatic Analysis for the MSJC entitlements is contained in Chapter 5 of the Sunset Crossroads Specific Plan FEIR, which includes a discussion of the existing environmental condition of the MSJC site relative to each of the environmental issues cited above. As the laws, regulations and City policies previously presented in Sections 4.1 through 4.20 of the FEIR would be applicable to actions related to the MSJC site, they are referenced, but not listed in the discussions contained in Chapter 5. For each environmental issue, the same Appendix G thresholds have been applied at a Programmatic Level. As there is no specific development planned for the MSJC site at this time, the precise nature, location, and/or design of future residential uses is not known. The MSJC entitlements merely relocate potential impacts from one property to an adjoining property to avoid the net loss of residential capacity and by definition would be equal to or incrementally increase residential capacity or unit count in the City if an application for full buildout of the entitlement envelope is sought. Impacts from the future development of the 1,146 units are already contemplated by the City's planning documents. Any new impacts would generally be those that create site specific modifications where the focus of the analyses is on the specific location for the proposed use or the density of the use rather than the nature of the use. Where appropriate, the assessment identifies future actions that may be required prior to development of the MSJC site. The cumulative effects resulting from implementation of the Sunset Crossroads development project, the proposed MSJC entitlements and future development on the MSJC Site, and other development activity in the City are provided in Chapter 6.0 of the FEIR. Relevant "Other CEQA Considerations" concerning the MSJC entitlements are discussed in Chapter 7.0 of the FEIR.

PUBLIC COMMUNICATION:

A notice of public hearing for the subject applications was published in the Record Gazette newspaper and mailed to property owners within a 300-foot radius of the project boundary on January 2, 2026. The notice was also posted on the City's webpage and provided electronically to interested parties. As of the writing of this report, the City received several comments related to the Sunset Crossroads project, but none specific to the subject amendment.

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. [3.1a GPA22-2502 ZC22-3502 CC APPROVAL Reso 2026-33.pdf](#)
2. [3.1b ZC CC Ordinance No. 1619.pdf](#)
3. [3.1c GPA22-2502 ZC22-3502 CC DENIAL Reso 2026-32.pdf](#)
4. [3.1d EXHIBIT A - Proposed General Plan and Zoning MSJC.pdf](#)
5. [3.1e GPA22-2502 ZC22-3502 Vicinity Map MSJC.pdf](#)
6. [3.1f GPA22-2502 ZC22-3502 Existing Zoning MSJC.pdf](#)
7. [3.1g GPA22-2502 ZC25-3502 Aerial Map MSJC.pdf](#)
8. [3.1h PHN GPAZC CC Meeting 01-28-26.pdf](#)
9. [3.1i MSJC Letter 2-17-26.pdf](#)
10. [3.1j 2026 01 28_Special Meeting_Minutes_DRAFT.pdf](#)