SECTION 5.0
LONG TERM IMPLICATIONS

5.1 INTRODUCTION

Section 15126, *Consideration and Discussion of Environmental Effects,* of the CEQA *Guidelines* requires that all aspects of a project must be considered when evaluating its impact on the environment, including planning, acquisition, development and operation. As part of this analysis, the EIR must also identify: (1) significant environmental effects of the proposed Project; (2) significant environmental effects that cannot be avoided if the proposed Project is implemented; (3) significant irreversible environmental changes that would result from implementation of the proposed Project; (4) growth-inducing impacts of the proposed Project; (1) mitigation measures proposed to minimize significant effects; and (6) alternatives to the proposed Project.

Section 5.0 addresses growth inducing effects of the proposed Project; identifies the significant and unavoidable adverse impacts of the Project, as well as those identified in the General Plan EIR; identifies significant irreversible environment effects; and addresses the Mandatory Findings of Significance as required by the *Guidelines.* Alternatives to the proposed Project are addressed in Section 6.0 (*Alternatives to the Proposed Project*). Effects Found not to be Significant are addressed in Section 7.0 of this EIR.

5.2 SIGNIFICANT ENVIRONMENTAL EFFECTS OF THE PROPOSED PROJECT

Section 15126.2(a), *Consideration and Discussion of Significant Environmental Impacts,* of the *Guidelines* requires an EIR to identify and focus on the significant environmental effects of the proposed Project, including direct and indirect effects, short- and long-term effects, and any significant environmental effects the project might cause by bringing development and people into the area affected. Table ES – 1, *Summary of Environmental Effects and Mitigation Measures,* located in the Executive Summary, summarizes the environmental effects of the Project based on the topical headings and thresholds contained in Appendix G of the *Guidelines*. Sections 4.1 through 4.14 of this EIR provide a comprehensive identification and analysis of the Project's direct and indirect environmental effects, including the level of significance before and after mitigation in both the project and cumulative setting.

5.3 SIGNIFICANT AND UNAVOIDABLE ADVERSE IMPACTS

Section 15126.2(b), *Significant Environmental Effects which Cannot Be Avoided if the Proposed Project is Implemented,* requires an EIR to describe any significant impacts, including those which can be mitigated but not reduced to a level of insignificance. The evaluation of the environmental issues identified throughout all of the subsections of Sections 4.0, *Environmental Impact Analysis*,

concluded that the following significant and unavoidable Project-related and/or cumulative impacts would occur if the *Butterfield Specific Plan Project* is implemented as currently proposed:

NOTE: *Each of the following unavoidable impacts would occur as a result of implementing the previously approved Deutsch Specific Plan that would build out under the existing General Plan. The Project is consistent with the General Plan, and project-related and cumulative impacts have been addressed at a programmatic level in the General Plan EIR.*

Aesthetics, Light and Glare

- The Project will introduce significant sources of light and glare into an existing rural, undeveloped area and result in a significant and unavoidable adverse impact on nighttime views of the Project site in the interim and long-term build-out condition. Mitigation measures can reduce these impacts but would not reduce them to a level of insignificance due to the nature, size, and scale of the proposed project and its cumulative significance. (Project/Cumulative)

Air Quality

- Construction phase emissions from Project development would exceed the SCAQMD thresholds for ROG, NO_X, CO, PM_{10}, and $PM_{2.5}$, resulting in a significant impact. Mitigation measures can reduce the level of these emissions but cannot reduce them below SCAQMD thresholds due to the size and scope of the proposed Project. (Project)

- The operational phase of the Project would conflict with the AQMP as would exceed SCAQMD thresholds for ROG, NO_X, CO, PM_{10}, and $PM_{2.5}$, and the Project would potentially result in a long-term impact on the region's ability to meet State and federal Ambient Air Quality Standards. Mitigation measures can reduce the level of these emissions but cannot reduce them below SCAQMD thresholds. (Project/Cumulative)

Climate Change/Greenhouse Gases

- Although the Project has incorporated reasonable and feasible mitigation measures the Project's incremental contribution to global climate change can be considered "significant" on a cumulatively considerable basis. Although implementation of these mitigation measures would reduce the proposed Project's greenhouse gas emissions, such project-specific mitigation may not be feasibly imposed upon cumulative projects. (Project/Cumulative).

Noise

- At build out the Project would exceed both the combined and incremental effects criteria for mobile noise impacts. The proposed Project, in combination with cumulative background traffic noise levels, would result in a cumulatively significant impact that cannot be mitigated to a level of insignificance due to the project's size and scale. The Project cannot reasonably or feasibly mitigate for cumulative mobile noise impacts (e.g., constructing sound walls along the entire perimeter of the sensitive uses surrounding the project site, force existing residential uses to change their existing windows, etc.). (Cumulative).

Traffic and Transportation

- Increased traffic volumes resulting in 7 intersections that would exceed General Plan level of service policy of "C" or better. The Project Traffic Impact Assessment identifies mitigation for all Project-related and cumulative impacts in order to achieve acceptable levels of service. However, certain improvements required to mitigate project impacts to a less than significant level are either outside the control of the City of Banning (and therefore cannot be assured of implementation) and/or have substantial right-of-way constraints (and therefore may not be fully implemented due to feasibility issues). Although the Project will be responsible for implementing all feasible Project-related improvements and will pay its fair share of the cost of implementing cumulative impact improvements, there is no assurance at this time that the City and other jurisdictions will have adequate funding to implement ultimate improvements. (Project/Cumulative).

5.4 POTENTIAL GENERAL PLAN BUILDOUT SIGNIFICANT AND UNAVOIDABLE IMPACTS

In addition to the above identified significant and unavoidable adverse impacts, Section IV of the City's Comprehensive General Plan EIR identifies five significant and unavoidable adverse impacts associated with the build out of the General Plan as adopted (bolded below). The Project's potential contribution to these impacts is assessed below:

Short-term and long-term air quality impacts due to construction and operation, respectively: This has been identified as a significant and unavoidable adverse impact in this EIR.

Cumulative loss of biological resources including destruction and fragmentation of habitat: The Project's biological resource impacts are mitigated to a less than significant level.

Exposure of people to geotechnical hazards associated with area faulting and earthquake-related hazards: The Project site is traversed by segments of the Banning fault and contains other identified, related faulting; however, these hazards are not considered significant because the proposed Project includes setbacks of 50 to 100 feet or more from identified active faults, is not subject to liquefaction, dam inundation, and can fully mitigate for settlement.

Increased traffic volumes resulting in 7 intersections that would exceed General Plan level of service policy of LOS C or better: The EIR identifies mitigation for all Project impacts. However, as noted above, due to control by other jurisdictions, feasibility and/or funding issues, certain improvements may not be fully implemented, resulting in a potentially significant unavoidable impact.

Increased consumption would contribute to existing overdraft of area groundwater resources: As discussed in Section 4.14, *Water Supply*, the Project's groundwater and water supply impacts are mitigated to less than significant levels. The Project would not result in overdraft of groundwater supplies, because the City's existing and projected water supplies are sufficient during normal, single dry, and multiple dry water years during the 35-year study period to meet the projected water demands of the Project, in addition to the City's existing and planned future uses.

5.5 SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL CHANGES

Section 15126.2(c) of the State CEQA Guidelines requires that an EIR discuss any significant irreversible environmental changes which would be caused by the proposed Project should it be implemented. Such changes are identified and analyzed in Sections 4.1 through 4-14 of this EIR. Pursuant to the analysis required by this section, the Project would result in the following significant, irreversible environmental changes:

- The Project would involve a large commitment of nonrenewable resources
- The primary and secondary impacts of the Project would generally commit future generations to similar uses.

The proposed Butterfield Specific Plan is an amendment and restatement of the existing, approved Deutsch Specific Plan. Its direct effects would include changes in existing and some proposed land uses; conversion of open space and grazing land to urban uses; population and job growth; and cumulatively significant increases in air quality, noise, and traffic impacts. Project impacts are addressed in detail in Sections 4.1 through 4.14 of this EIR.

Resources that would be permanently and continually consumed by the proposed development would include water, electricity, natural gas, and fossil fuels. However, new construction in California is required to conform to energy conservation standards specified in Title 24 of the

California Code of Regulations (CCR), as amended in 2010 (effective date: January 1, 2011). These standards establish "energy budgets" for different types of residential and non-residential buildings with which all new buildings must comply. In order to conform to CCR Title 24, efficient energy use would be designed into all new buildings developed within the Project area. In addition, all new development would be required to comply with all applicable building codes, development standards, and design requirements related to sustainability and energy conservation contained in the City's *Municipal Code* and required pursuant to current and future State legislation, executive orders, and regulatory guidance. City policy, State standards, and mitigation measures contained in the General Plan EIR and in this EIR would help ensure that all natural resources are conserved or recycled to the maximum extent feasible. Energy consumption is discussed in greater detail within Section 4.5, *Climate Change* and Section 4.12, *Public Services and Utilities*.

The proposed Project has an estimated 30-year implementation time frame in the course of which new technologies and/or systems to improve sustainability and reduce resource consumption would likely emerge or become more cost-effective and/or user-friendly. Since development of the Project area will occur incrementally, as individual tracts are recorded and projects pursued, these new technologies could be incorporated into the development, further reducing resource consumption and improving sustainability. This being said, even with the implementation of conservation measures and the utilization of advancing technology, consumption of natural resources would generally increase with the implementation of the Project.

Construction activities associated with the development of the Project area would result in the irretrievable commitment of nonrenewable resources, primarily in the form of fossil fuels (such as natural gas, diesel, and gasoline for automobiles and construction equipment), sand, gravel, wood and related construction materials. These may be considered a permanent investment and commitment of resources to the Project's development.

In addition, long-term increase in the demand for electrical and natural gas resources would occur. Use of these fossil fuel-derived energy sources would be necessary for transport of workers and materials during construction and provision of electricity and natural gas for the new homes, businesses and infrastructure during the life of the project. Although the consumption of fossil fuel, sand, gravel, wood, and construction materials associated with the proposed Project would constitute the depletion of a resource that is irretrievable and irreversible, the amount of resources consumed would not be of an extraordinary nature in a regional context.

In addition, the proposed Project would be justified, because it would use those resources to increase housing opportunities affordable to a range of potential residents, provide employment opportunities, increase recreational opportunities, and contribute to the economic and social wellbeing of the community. As such, the Project would contribute to the

achievement of the policy goals specified in the City of Banning General Plan (refer to Economic Development Goal, p. III-41, and Policy 5, pg. III-43, which encourage the provision of a range of housing opportunities; and Parks and Recreation Element Goal 1 and 2, pg. III-96, which encourage the provision of high-quality recreational facilities) and the 2008 Housing Element of the General Plan (refer to Objective 1, Policy 1[1]). Therefore, the development of the Project site pursuant to the Butterfield Specific Plan would not involve a wasteful or unjustifiable use of energy or other resources and the use of energy in the Project area would occur in an efficient manner consistent with the goals, policies and objectives of the City of Banning General Plan.

5.6 MANDATORY FINDINGS OF SIGNIFICANCE

CEQA requires preparation of an EIR when certain specified impacts may result from construction or implementation of a project. An EIR has been prepared for the proposed Project, which fully addresses all of the Mandatory Findings of Significance, as described below.

Degradation of the Environment

Section 15065(a) of the CEQA *Guidelines* requires a finding of significance if a project, "has the potential to substantially degrade the quality of the environment." In practice, this is the same standard as a significant effect on the environment, which is defined in Section 15382 of the *Guidelines* as, "a substantial or potentially adverse change in any of the physical conditions within the area affected by the project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance."

This EIR in its entirety addresses and discloses all known potential environmental effects associated with the development of the proposed Project both on- and offsite at a programmatic level of analysis, including direct, indirect, and cumulative impacts in the following resource areas:

Aesthetics, Light, and Glare
Agriculture and Forestry
Air Quality
Biological Resources
Climate Change
Cultural Resources
Geology and Soils
Hazards/Hazardous Materials
Hydrology and Water Quality
Land Use and Planning
Noise
Public Services, Recreation, and Utilities
Transportation and Traffic
Water Supply

As summarized in Table ES-1, *Summary of Environmental Effects and Project Mitigation Measures*, this EIR discloses all potential environmental impacts, the level of significance prior to

[1] City of Banning, *Housing Element of the General Plan*, pg. III-197, December 2008. Document is available at http://www.ci.banning.ca.us/DocumentView.aspx?DID=614.

mitigation, project requirements that are required by law, feasible mitigation measures, and the level of significance after the incorporation of mitigation measures.

Long Term Impacts

Section 15065(a)(2) of the *Guidelines* states that a lead agency shall find that a project may have a significant effect on the environment where there is substantial evidence that the project has the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals. Section 5.4, *Significant Irreversible Environmental Effects*, of this document addresses the short-term and irretrievable commitment of natural resources to ensure that the consumption is justified on a long-term basis. In addition, Section 5.3, *Significant and Unavoidable Adverse Impacts*, and Table ES-1 identify all significant and unavoidable impacts that could occur that would result in a long-term impact on the environment. Lastly, Section 5.6, *Growth Inducing Impacts*, identifies any long-term environmental impacts associated with economic and population growth that are associated with the proposed Project.

Cumulative Impacts

Section 15065 of the *Guidelines* states that a lead agency shall find that a project may have a significant effect on the environment where there is substantial evidence that the project has potential environmental effects that are individually limited but cumulatively considerable. As defined in Section 15065(a)(3) of the *Guidelines*, cumulatively considerable means that "the incremental effects of an individual project are significant when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects." This EIR provides a cumulative impact analysis only for those thresholds that result in a less than significant impact, a potentially significant impact unless mitigated, or a significant and unavoidable impact. Cumulative impacts are addressed for each of the environmental topics listed above and are provided in Sections 4.1 through 4.14 of this EIR.

Impacts on Species

Section 15065(a) (1) of the *Guidelines* states that a lead agency shall find that a project may have a significant effect on the environment where there is substantial evidence that the project has the potential to: (1) substantially reduce the habitat of a fish or wildlife species; (2) cause a fish or wildlife population to drop below self-sustaining levels; or (3) substantially reduce the number or restrict the range of an endangered, rare, or threatened species. Section 4.4, *Biological Resources*, of this EIR fully addresses any impacts that might relate to the reduction of fish or wildlife habitat or populations and the reduction or restriction of the range of special status species as a result of Project implementation.

Impacts on Historical Resources

Section 15065(a) (1) of the *Guidelines* states that a lead agency shall find that a project may have a significant effect on the environment where there is substantial evidence that the project has the potential to eliminate important examples of a major period of California history or prehistory. Section 15065(a) (1) reflects PRC § 21001(c) by requiring preservation of resources that represent major periods of California history for the benefit of future generations. It also reflects the provisions of PRC § 21084.1 in requiring a finding of significance for substantial adverse changes to historical resources. Section 15064.5 of the *Guidelines* establishes standards for determining the significance of impacts to historical resources and archaeological sites that are an historic resource. Section 4.6, *Cultural and Historic Resources*, of this EIR fully addresses impacts related to California history and prehistory, historic resources, archaeological resources and paleontological resources.

Impacts on Human Beings

As required by Section 15065(a)(4) of the *Guidelines*, a lead agency shall find that a project may have a significant effect on the environment where there is substantial evidence that the project has the potential to cause substantial adverse effects on human beings, either directly or indirectly. Under this standard, a change to the physical environment that might otherwise be minor must be treated as significant if people would be significantly affected. This standard relates to adverse changes to the environment of human beings generally, and not to effects **ON** particular individuals. While changes to the environment that could directly or indirectly affect human beings would be possible in all of the CEQA issue areas previously listed, those that could directly affect human beings include aesthetics, air quality, geology and soils, hazards and hazardous materials, hydrology and water quality, noise, land use and planning, public services and utilities, transportation/traffic, water resources, and climate change, all of which are addressed in the appropriate sections of this EIR; refer to Table of Contents for specific section numbers.

5.7 GROWTH-INDUCING IMPACTS OF THE PROPOSED ACTION

State CEQA Guidelines

Section 15126 of the *CEQA Guidelines* requires that an EIR address the "growth inducing" effects of the proposed Project. Pursuant to Section 15126.2(d) of the *Guidelines*, a project would be considered to have a growth-inducing effect if it would:

- Directly or indirectly foster economic or population growth, or the construction of additional housing;

- Remove obstacles to population growth;
- Tax existing community services or facilities, requiring the construction of new facilities that could cause significant environmental effects; or
- Encourage and facilitate other activities that could significantly affect the environment, either individually or cumulatively.

This section of the EIR analyzes the potential environmental consequences of the foreseeable growth that could be induced by implementation of the proposed Project. Section 15126.2(d) states that: "It must not be assumed that growth in any area is necessarily beneficial, detrimental, or of little significance to the environment." Typically, the growth-inducing potential of the Project would be considered significant if: "[The project] fosters growth or a concentration of population above what is assumed in pertinent master plans, land use plans, or in projections made by regional planning agencies such as the Southern California Association of Governments (SCAG). Significant growth impacts could also occur if a project provides infrastructure or service capacity to accommodate growth beyond the levels currently permitted by local or regional plans and policies." In general, a project may foster growth in a geographic area if it meets any one of the following criteria:

1. Removes an impediment to growth (e.g., establish an essential public service or provide new access to an area);
2. Foster economic expansion or growth (e.g., change revenue base, expand employment, etc.);
3. Fosters population growth (e.g., construct additional housing), either directly or indirectly;
4. Establishes a precedent-setting action (e.g., an innovation, a change in zoning, or a general plan amendment approval); or
5. Develops or encroaches on an isolated or adjacent area of open space (distinct from an "infill" type of project).

Should the Project meet any one of the above-listed criteria, it may be considered growth inducing. The potential growth-inducing impacts of the proposed Project are evaluated against these five criteria in this section.

Section 15126.2(d) of the *CEQA Guidelines* requires that an EIR "discuss the ways" a project could be growth inducing and to, "discuss the characteristics of some projects that may encourage…activities that could significantly affect the environment." However, the *Guidelines* do not require that an EIR predict (or speculate) specifically where such growth would occur, in what form it would occur, or when it would occur.

The analysis provided below evaluates whether the proposed project would directly, or indirectly, induce population, housing, or economic growth in the surrounding environment.

5.7.1 DIRECT GROWTH-INDUCTING IMPACTS IN THE SURROUNDING ENVIRONMENT

A project would directly induce growth if it would remove barriers to population growth such as a change to a jurisdiction's General Plan and Zoning Ordinance which allowed new residential development to occur. The proposed project would be developed through an amendment to the existing Deutsch Specific Plan which provides for new development.

Population Growth

Population, housing, and employment data are available on a City, county, regional, and state level. In its comment letter on an NOP for the Butterfield Specific Plan Project, the Southern California Association of Governments (SCAG) dated October 8, 2007, SCAG provide City, sub-regional (WRCOG) and City growth forecasts derived from the 2004 RTP, carried through 2030. Since that time, SCAG has adopted the 2008 RTP, which updated the 2004 projections using a 2007 baseline, and is presently gathering data for the 2012 RTP update. To ensure that the most current numbers are used for this analysis, the SCAG 2008 RTP Growth Forecasts through 2035 are provided in Table 5.7-1 (*SCAG Population, Housing & Employment Forecasts*).

Current (2010) population and housing estimates are also derived from the State Department of Finance (DOF), which updates its population and housing numbers on an annual basis from a year 2000 baseline. These are presented in Table 5.7-2 (*City of Banning Population Growth 2000 - 2010 – State Department of Finance*).

In addition, this section references forecasts provided in 2010 to SCAG by the City of Banning and WRCOG as part of preparation process for the 2012 update of the Regional Transportation Plan (RTP). These are presented in Tables 5.7-3 (*2010 WRCOG Long-range Growth Forecast For 2012 RTP*) and 5.7-4 (*SCAG – Local Input – General Plan Forecasts for 2012 RTP-City of Banning*). Additional growth forecasts for the City of Banning from 2000 through 2030 are contained in *Western Riverside County, a Collection of Profiles, Indicators and Maps*, published by WRCOB in May 2006.

The DOF prepares annual estimates of population and housing based on an analysis of data from a variety of sources. According to the 2010 DOF report, the City of Banning had a population of approximately 28,751 in 2010; refer to Table 5.0-1, *City of Banning Population Growth 2000-2010 – State Department of Finance*). Since the population data provided by the DOF are computed and updated annually, it is considered more reflective of current conditions than the population forecasts contained in the 2008 SCAG Regional Transportation Plan (RTP) Growth Forecast. For this reason, DOF data will be used in the analysis to provide existing conditions, where it is available.

The 2008 RTP growth forecast reflects a period of accelerated regional growth that subsequently slowed dramatically as the recession of 2008-2009 impacted the sub-region. The recession of 2008-2009 resulted in a dramatic slowing of population, housing, and economic growth the Inland Empire and accounts for some of the differences between the projected population, housing and employment forecasts in 2008 RTP and subsequent forecasts from the City of Banning, WRCOG, and the Department of Finance (DOF). In addition, Banning's growth reached its pre-recession peak in 2004, dropped dramatically thereafter, and has consistently lagged behind the County growth rate (2000-2008) of 35.2 percent.

The City's 2010 population (City limits only) is currently estimated by DOF as approximately 28,751, which is considerably lower (15%) than the 2008 SCAG forecast of 33,951. It is also somewhat lower than the 2010 WRCOG forecast of 29,710, but well within range of the City's General Plan estimate.

SCAG is currently gathering data for the preparation of the 2012 RTP update. Table 5.7-3, *2010 WRCOG Long-range Growth Forecast For 2012 RTP*, and Table 5.7-4, *SCAG – Local Input – General Plan Forecasts for 2012 RTP* (both for the City of Banning) provide population forecasts reflective of current and anticipated growth rates through 2035. As indicated in Table 5.7-4, by 2020 the City's General Plan population estimate of 42,188 is fairly consistent with WRCOG's forecast shown in Table 5.7-3, but well below the 2008 SCAG forecast of 52,591 in Table 5.7-1. The 2035 Banning General Plan population forecast of 61,733 is also well below the 2008 SCAG forecast of 77,438, but consistent with the 2010 WRCOG forecast. Given the differences between the various sources of data and the uneven and unpredictable impact of post-recession economic recovery regionally and locally, all currently available population forecasts should be regarding only as potential trend indicators.

Table 5.7-1
SCAG Population, Housing & Employment Forecasts

	2010	2015	2020	2025	2030	2035
Banning						
Population	33,951	45,029	52,591	63,660	74,686	77,435
Households	12,536	14,616	17,127	20,197	22,794	24,668
Employment	10,018	12,871	15,810	18,751	21,726	24,122
Adopted Western Riverside County Association of Governments (WRCOG)*						
Population	1,608,241	1,673,500	2,002,393	2,175,633	2,344,972	2,460,833
Households	572,666	632,589	696,379	755,536	814,161	865,277
Employment	541,587	633,161	*703,372*	822,031	918,640	*967,163*
Riverside County						
Population	2,242,745	2,509,330	2,809,003	3,089,999	3,343,777	3,596,680
Households	720,531	811,486	913,207	1,008,909	1,097,950	1,183,097
Employment	784,998	911,381	1,042,145	1,168,769	1,295,487	1,413,522
SCAG Region						
Population	19,418,344	20,465,830	21,468,948	22,395,121	23,255,377	24,057,286
Households	6,086,986	6,474,074	6,840,328	7,156,645	7,449,484	7,710,722
Employment	8,349,453	8,811,406	9,183,029	9,546,773	9,913,376	10,287,125

Source: SCAG 2008 Regional Transportation Plan Growth Forecast
* WRCOG Projections for Population, Housing and Employment Updated as of 4/8/10 by Riverside County Center for Demographic Research (2020 and 2035)

Table 5.7-2
City of Banning Population Growth 2000 - 2010 – State Department of Finance

Year	1980	1990	2000	2007	2008	2009 (E)	2010 (E)
Population	14,020	20,570	23,562	28,293	28,348	28,551(E)	28,751(E)

*1980-2008 are based on US Census Data and SCAG Data from the Profile of the City of Banning document. 2009-2010 population was gathered from State of California, Dept. of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, 2001-2010, with 2000 Benchmark. Sacramento, CA, May 2010.

Table 5.7-3
2010 WRCOG Long-Range Growth Forecast for 2012 RTP
City of Banning

	2010	2015	2020	2025	2030	2035
Population	29,710	35,648	42,193	50,025	56,885	61,930
Households	12,884	14,611	17,260	20,416	23,177	25,202
Employment			11,206			16,593

Source: WRCOG Long-range Growth Forecast Updated as of 4/8/10 by Riverside Center for Demographic Research

Table 5.7-4
SCAG – Local Input – General Plan Forecasts for 2012 RTP
City of Banning

	2008	2020	2035
Population	28,303	42,188	61,733
Households	10,638	15,842	23,155
Employment	7801	11,206	16,593

Source: SCAG 2012 Local Input (General Plan) Forecasts for 2012 RTP

The proposed Project, when implemented, would directly induce population growth in the City and the region through the development of 5,387 new homes and apartments and approximately 36 acres of commercial space. Utilizing an average of 2.66[2] persons per household, the development of 5,387 additional housing units could result in a total population increase of approximately 14,167 persons.

This population growth would occur unevenly over a period of approximately 30 years, extending from 2012 through 2042. The speed and impact of that growth would be determined by market demand and absorption rates that cannot be predicted at this time. Additional population growth may be attributed to temporary employment generated by the Project's construction and subsequent permanent employment generated by the Project's commercial component, schools, and golf course as well as the impact of new residents on the overall economy of the area and their demand for services.

As noted, it would be speculative to estimate Project contributions to City population on an annual or even 5-year incremental basis; however, it is important to note that the City's current Comprehensive General Plan and its Housing Element, as well as the prior City General Plan, included the projected build out of the Project (as the Deutsch Specific Plan) in estimating population growth in the City, and this was and continues to be carried through in the County, sub-region, and regional forecasts, as illustrated by Tables 5.7-1 through 5.7-4.

At build out, the estimated Project-generated population would represent a 49.2% increase over the City's 2010 population as estimated by DOF, but would still result in a City population that is well within the forecasted population increase for the City of Banning projected to 2035, by the City's General Plan, the 2008 SCAG RTP growth projections, and the WRCOG 2010 long-term population forecasts through 2035.

Accordingly, while the projected population growth in the City of Banning attributable to the Project is large, the impact related to direct and indirect growth of population induced by the

[2] Source: State of California, Dept. of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, 2001-2010, with 2000 Benchmark. Sacramento, CA, May 2010.

Project would be considered less than significant because it would not conflict with adopted local and regional plans.

Housing

A household is defined by the DOF and the U.S. Census as a group of people who occupy a housing unit. The number of households in a give area differs from the number of dwelling units because the number of dwelling units counted includes both occupied and vacant units. According to 2010 DOF estimates there are currently approximately 11,644 housing units in the City of Banning. Table 5.7-5 (*City of Banning and County of Riverside Housing Characteristics, 2000-2010*[3]) is taken from DOF *Table E-5 City/County Population and Housing Estimates*, 1/1/2010 and details housing currently available in the City.

The number of households in the City varies by forecast: both the 2008 SCAG RTP and 2010 WRCOG Long-range Growth Forecast foresee a need for 25,202 housing units by 2035, while the City General Plan input to SCAG in 2010 anticipates a somewhat lower 23,155. The approximately 5,387 housing units added to the City's housing inventory by the proposed Project at its build out would represent approximately 23 percent of the total City housing stock projected for 2035, assuming that the Project was built out at that time (approximately 7 years prior to current projections) and approximately 47 percent of the total increase in City housing stock. In both cases, the addition of the housing proposed by the Project would not result in an exceedence of or conflict with any local, WRCOG, or SCAG plan projections. The potential housing demand attributable to employment-related population can easily be absorbed by the proposed Project.

Table 5.7-5
City of Banning and County of Riverside Housing Characteristics, 2000-2010[4]

Banning						
	2000		2005		2010	
Housing type	Number of Units	Percent Total	Number of Units	Percent Total	Number of Units	Percent Total
Single Detached	6,847	70.1%	8,459	74.5%	8,740	75.0%
Single Attached	728	7.5%	728	6.4%	728	6.3%
Multi-Family 2-4 Units	426	4.4%	421	3.7%	424	3.6%
Multi-Family 5+ Units	604	6.2%	595	5.2%	595	5.1%
Mobile Homes	1,156	11.8%	1,156	10.2%	1,157	10.0%
Total	9,761		11,359		11,644	

[3] State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.

[4] State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.

Table 5.7-5 (continued)
City of Banning and County of Riverside Housing Characteristics, 2000-2010[5]

Riverside County						
	2000		2005		2010	
Housing Type	Number of Units	Percent Total	Number of Units	Percent Total	Number of Units	Percent Total
Single Detached	356,451	61.0%	448,632	65.0%	524,172	66.8%
Single Attached	42,301	7.2%	42,659	6.2%	44,844	5.7%
Multi-Family 2-4 Units	30,192	5.2%	31,332	4.5%	33,243	4.2%
Multi-Family 5+ Units	72,842	12.5%	83,714	12.1%	96,377	12.2%
Mobile Homes	82,888	14.2%	83,529	12.1%	85,721	11.0%
Total	584,674		689,866		784,357	

The Regional Housing Needs Assessment (RHNA) is the process SCAG utilizes to track the housing opportunities within its jurisdiction. The RHNA determines the development capacity each local government must identify and zone for during the housing element planning period; provides a policy-based projection of household growth, with vacancy and replacement housing allowances; and addresses the housing needs of all income groups resulting from population and employment growth and change (e.g., a "fair share" plan). Based on projected population growth and availability of land uses, SCAG assigns each jurisdiction its "fair share" target for how much housing is expected to be added during a specified time period. Each jurisdiction is expected to make a good-faith effort to meet its assigned housing target, or face the possibility of becoming ineligible for various federal and state revenues.

The affordability distribution of new units is derived from the household income distribution of households in Riverside County in 2000, plus a fair share adjustment determined by SCAG. For the City of Banning, the 2008-2014 SCAG RHNA established an affordable housing (i.e., units affordable to low and very low income households) percentage goal of 38.8% of the 3,841 housing units projected for the City during this timeframe. Table 5.7-6, *Quantified Housing Objectives for the City of Banning- 2008-2014*, summarizes the forecasted housing need by income group for 2008-2014, while Table 5.7-7, *RHNA Allocation of Housing Units for City of Banning from the Final RHNA Plan- Planning Period of January 1, 2006 to June 30, 2014*, quantifies the City's RHNA housing allocation for the same period by income group. It should be noted that the median home price in Banning is significantly lower than in much of Riverside County. In 2008, the median home price was $167,000, or approximately $93,000 less than the County's median home price. Accordingly, housing is generally more affordable in Banning at all income levels than in the County as a whole.
The proposed Project includes 19 Low Density Residential Planning Areas, 19 Medium Density Planning Areas, and 3 High Density Planning Areas. This mix of housing is expected to result

[5] State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.

in the construction of up to 2,222 low density single family residential units, 1,960 medium density residential units, and approximately 1,205 high density multi-family residential units. Higher density housing could include units that are affordable to households over the full range of affordability classifications depending upon market rents, the availability of financing and the availability of rental subsidy certificates. The Specific Plan also allows for cluster development (higher density housing) as well as "active adult" communities, both of which provide for greater housing flexibility to respond to market conditions. Accordingly, implementation of the Project would be consistent with goals and policies of the City's Housing Element and could assist the City in meeting its RHNA housing goals, as these evolve over the implementation period of the Project.

Table 5.7-6
Quantified Housing Objectives for the City of Banning – 2008-2014

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Anticipated units to be constructed (Assisted and Market Rate)	873	618	705	1645	3,841
Housing units to be preserved	5	4	5	10	24
Housing units to be conserved	35	0	0	0	35
Percentage of households	22.7%	16.1%	18.4%	42.8%	100%

Table 5.7-7
RHNA Allocation of Housing Units for City of Banning from the Final RHNA Plan-Planning Period of January 1, 2006 to June 30, 2014

Household Income Category	HUD Income Threshold for 4-Person Household Issued 4/2010	RHNA Goal	Percentage
Very Low	$19,500 (extremely low) to $32,500 (very low)	873	22.7%
Low	$39,000 (60% AMI limits) to 52,000 (low income)	618	16.1%
Moderate	$40,000 to $56,880 per year	705	18.4%
Above Moderate	Greater than $56,881 per year	1,645	42.8%
Total		**3,841**	

Source: HUD Income Limits 2010 for the Riverside/San Bernardino/Ontario MSA.[8]
http://www.huduser.org/portal/datasets/il/il2010/2010summary.odn?inputname=METRO40140M40140*Riverside-San+Bernardino-Ontario%2C+CA+MSA&selection_type=hmfa&year=2010, accessed 10/6/2010.
Very low = less than 50% of adjusted area median income (AMI); low income = 50 – 80% of AMI; moderate income = 80-120% of AMI; above moderate income= over 120% ami.

[8] SCAG RHNA Final Allocation Plan <http://scag.ca.gov/housing/rhna/index.htm, Final RHNA Allocation.

The availability of relatively low cost housing in the City could result in both direct and indirect inducements to growth both locally and regionally. The affordability of housing in the Inland Empire relative to adjacent coastal markets has been the engine driving regional growth for decades. Housing in Banning is affordable relative to other nearby Inland Empire markets that are prime locations for employment-generating warehousing, logistics, and trucking & shipping enterprises. The growth of housing opportunities in Banning may in the future provide workforce housing that supports and is supported by regional economic expansion and job growth.

Economic Expansion and Employment

In August 2010 the civilian labor force in the City of Banning totaled approximately 11,700 persons, of whom 9,700 were employed. The unemployment rate was 17.4 percent. According to the May 2009 *Profile of the City of Banning*, published by SCAG using a 2008 baseline, in 2008 total jobs in the City reached 7,804, about 13 percent higher than its 2003 level. During that same timeframe, manufacturing jobs decreased by 1 percent, construction jobs dipped below 2003 levels with a reduction of 31 percent between 2006 and 2008, retail jobs increased by a net of 21 percent, while professional and management jobs increased by 2 percent in spite of an overall decrease in employment between 2006 and 2008.

The largest percentage of the City's civilian labor force (24 percent) was employed in health care and education. The second largest concentration of the labor force (approximately 13 percent) was in manufacturing.

The updated General Plan increased the amount of acreage dedicated to commercial uses by 50 percent and decreased the amount of acreage dedicated to industrial uses by approximately 38 percent as compared to the 1993 General Plan, and makes no provision for the development of "heavy" industry. The 2006 General Plan estimates that at build-out there would be approximately 9,580,965 square feet of sales tax generating development in the City. Based on SCAG 2008 forecasts, approximately 24,122 jobs would be provided in the City by local commercial and industrial enterprises by 2035. More recent input by WRCOG and the City of Banning, contained in Tables 5.7-3 and 5.7-4, forecast approximately 16,593 local jobs by 2035.

Implementation of the proposed Project would result in significant new investment in the community, bringing with it a large number of new residents, new jobs in the construction and manufacturing sectors and new employment-boosting demands for retail, health, education, and related services. While initially exacerbating the existing jobs/housing imbalance in the community, the Project could ultimately serve to help encourage the growth of local employment-generating businesses. However, it is not possible at this time to quantify those economic benefits in either the long or short term.

Establishment of a Precedent-Setting Action

The *Butterfield Specific Plan* would be developed on 1,543 acres. This master-planned community would contain a maximum of approximately 5,387 dwelling units, 35.9 acres of commercial development, two elementary schools (totaling 22 acres), a total of 434.4 acres of open space including 49.7 acres of parks and 270.7 acres of golf course. Under the proposed Project, the plan would include offsite improvements (such as access roads, potable water, wastewater, and reclaimed water conveyance facilities. Since the proposed Project is an amendment to the existing Deutsch Specific Plan, and is generally consistent with the City's General Plan, it is not considered a precedent-setting action, and therefore would not be considered growth-inducing in this regard.

Encroachment on Open Space

The proposed Project would be developed on 1,543 acres of land currently used for grazing. In addition, the Project area is adjacent to undeveloped areas to the north and east owned by the Highland Springs Resort and Morongo Indian Reservation, respectively. These lands may be developed in the future; however, at this time there are no known development proposals for these properties. Since the current Project is currently located within the Deutsch Specific Plan area approved in 1993 and incorporated into the 2006 General Plan as "Specific Plan," it is not considered an encroachment on open space.

5.7.2 INDIRECT GROWTH-INDUCTING IMPACTS

Removal of an Impediment to Growth

A project would indirectly induce growth if it would increase the capacity of infrastructure in an area in which public services currently meet demand. Examples would be increasing capacity of a sewer treatment plant, or a roadway beyond that needed to meet existing demand.

The Project includes various onsite and offsite infrastructure improvements which may facilitate other development. These include:

- Onsite and regional transportation improvements including numerous roads and intersections throughout the local area, as well as implementing the Highland Home Road extension to Brookside Avenue;

- Improvements to the City's water supply system, potentially including an extension of State Water Project via a new pipeline from the PASS agency to the City of Banning, within the Butterfield Specific Plan. This is a SWP supply alternative (the preferred method would be to simply continue using the PASS agency's existing recharge facilities

and pump the water from existing City wells in the Beaumont Basin), and is addressed in the EIR only under the context of providing water supply for the Project;

- Improvements to the City's water conservation, wastewater treatment and reclaimed water systems, as identified in the Water Supply Assessment (Appendix J), in order to demonstrate adequate water supply to serve the City of Banning through 2045.

These improvements, taken together, could reduce impediments to growth by eliminating or reducing existing infrastructure constraints. However, these improvements would be generally consistent with the analysis and recommendations of the adopted Deutsch Banning Specific Plan, and are consistent with the City of Banning General Plan.

5.8 GROWTH INDUCING IMPACT CONCLUSION

The Butterfield Specific Plan proposes to update the Deutsch Specific Plan (approved in 1993). Since approval of this Specific Plan occurred nearly twenty years ago the general impacts of its development have been considered and incorporated into the recent City of Banning General Plan Update (2006) and into related regional, County and sub-regional plans and forecasts. In association with development of the Specific Plan, the Project will be providing various onsite and offsite infrastructure improvements that could remove impediments to growth and/or provide for additional capacity; however, with the exception of an optional onsite satellite waste treatment facility to generate recycled water for Project use, the infrastructure improvements both on and offsite were generally anticipated in the original Specific Plan and are included in the Master Plans for sewer, water and flood control as well as by the City's Comprehensive General Plan. The Project could also result in indirect housing demand and population growth, although it is anticipated that the Project could absorb housing demand generated indirectly through increased employment opportunities and demands for goods and services. Due to its size, its incremental implementation, its impact on infrastructure, and the potential direct and indirect population and economic growth associated with it, the Project, although consistent with the City's General Plan and regional plans, would be viewed as growth-inducing pursuant to CEQA.

Various benefits would accrue from growth directly and indirectly induced by the Project, which must be weighted against the potential adverse effects of growth in deciding whether to approve the Project. Inherent benefits of the Project include new investment in the community; provision of a greater range of housing opportunities; and the support that new residents would give to industrial and commercial development within the City that could produce new employment opportunities, contributing to the improvement of the region's current imbalance between employment and housing. Other possible benefits include increased property values; increased tax revenues generated from new homes and the businesses they attract; and improvements to public infrastructure. This potential Project-related economic expansion is consistent with the City of Banning General Plan and is a desired result of the Project. As such,

future growth associated with or caused by the Project would be considered necessary to implement the City's General Plan and to achieve the potential benefits associated with the Project. Therefore, the amount of Project-induced direct and indirect growth would not exceed what is presently allowed under the General Plan. Project and cumulative impacts are discussed further in Sections 4.0 through 4.14 of this EIR.