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CLERK OF THE SUPERIOR COURT
COUNTY OF STANISLAUS
BY [signature] DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF STANISLAUS

KEYSTONE RANCH, LLC, a California limited liability company,

Petitioners,

v.

CITY OF PATTERSON, a California Municipal corporation; KEN IRWIN, CITY MANAGER OF THE CITY OF PATTERSON; BRYAN STICE, DIRECTOR OF PLANNING & COMMUNITY DEVELOPMENT FOR THE CITY OF PATTERSON; the MAYOR and members of THE CITY COUNCIL OF THE CITY OF PATTERSON; DOES 1 through 100,

Respondents.

CASE NO. CV-24-003269

STATEMENT OF DECISION ON PETITION FOR WRIT OF MANDATE

(PHASE ONE-ADMINISTRATIVE MANDAMUS CLAIM)

I. INTRODUCTION

This matter comes before the Court on the First Phase of proceedings in a petition for writ of mandate brought by Petitioner Keystone Ranch, LLC ("Keystone" or "Petitioner") against Respondent City of Patterson and named City officials (collectively, the "City"). The Court has considered the administrative record, the parties' briefing, the oral argument conducted on March

3, 2026, the parties' PowerPoint presentations admitted into evidence, and the entire record as it stood at the time of the City's April 1, 2025, action.

Petitioner challenges the City Council's April 1, 2025, denial of Petitioner's Vesting Tentative Map ("VTM") application for a proposed 719-unit residential development within the Zacharias & Baldwin Ranch Master Plan ("MP") area. The Court's inquiry in this Phase is limited to the administrative mandamus causes of action. The Seventh and Eighth Causes of Action, asserting constitutional violations and claims under 42 U.S.C.A. § 1983 (West), are bifurcated for separate trial.

The Court is mindful that the City acted against a backdrop of genuinely shifting groundwater conditions. The adoption of the 2024 consolidated Delta-Mendota Subbasin Groundwater Sustainability Plan ("2024 GSP") imposed new pumping reduction targets on the City as a Groundwater Sustainability Agency ("GSA"), and the Court does not minimize the significance of those requirements. However, the manner in which the City responded to those conditions - specifically, by denying Petitioner's VTM without making the findings required by state housing law, and by proposing to impose the entire cost of constructing a $20 million regional recharge facility on a single developer as a precondition to any development anywhere in the 1,300-acre MP area - was not authorized by applicable law.

For the reasons set forth below, the Court concludes that the City's April 1, 2025 denial of the VTM constituted a "disapproval" of a qualifying housing development project within the meaning of the Housing Accountability Act (Gov. Code, § 65589.5; "HAA"), was made without the written findings the HAA requires, and cannot be justified under the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.; "CEQA"). A peremptory writ of mandate

shall issue directing the City to set aside its April 1, 2025, denial and to reconsider the VTM application in compliance with the HAA and applicable state law.

A. Objections to Proposed Statement of Decision

In issuing this Statement of Decision, the Court has reviewed and considered:

(1) Respondents' Objections to Tentative Ruling and Proposed Statement of Decision;

(2) Respondents' Statement of Unaddressed Controverted Issues;

(3) Petitioner's responses thereto; and

(4) the entire record in this proceeding.

Having considered the parties' submissions, the Court rules as follows:

1. General Ruling

Respondents' objections are largely **OVERRULED.**

The Court reiterates that the purpose of objections under California Rules of Court, rule 3.1590(g) is to identify material omissions or inconsistencies, not to reargue the merits of issues already decided. Many of the objections and purported "unaddressed issues" seek to relitigate legal theories and evidentiary arguments previously presented and are not proper grounds for modification of the Proposed Statement of Decision.

2. Alleged Failure to Address the City's April 1, 2025 Findings:

Respondents contend the Proposed Statement of Decision does not identify or analyze the City Council's findings.

This objection is **OVERRULED.**

The Court has reviewed the administrative record, including the City Council's April 1, 2025, action. The Statement of Decision adequately resolves the dispositive issues by determining

that the City's action constituted a disapproval within the meaning of the Housing Accountability Act (HAA) and that the City *failed to make* the required statutory findings.

To the extent Respondents contend the Court must set forth a more detailed recitation or characterization of the City's findings, no such further elaboration is required. A trial court is not obligated to make findings on every evidentiary detail or to adopt a party's characterization of the record.

3. Objection Regarding the Court's February 20, 2026 Evidentiary Ruling / Reply Brief:

Respondents contend the Court failed to rule on their objection to Petitioner's reply brief and assert due process concerns.

This objection is **OVERRULED.**

The Court's February 20, 2026 ruling addressed the admissibility of the parties' submissions. The Proposed Statement of Decision reflects the Court's consideration of the record consistent with that ruling. To the extent the Court considered arguments raised in the parties' briefing, it did so within its role as trier of law and fact and based on the administrative record and matters properly before it.

The Court finds no due process violation and no basis for further modification of the Proposed Statement of Decision.

4. Objections Directed to Legal Analysis (Including CEQA, Save Tara, and Standard of Review):

Respondents' objections challenging the Court's legal conclusions - including those regarding CEQA, the applicable standard of review, and the discussion of the March 2025 settlement agreement - are **OVERRULED.**

A statement of decision is required as to principal controverted issues of fact, not to provide an exhaustive explanation of legal reasoning or to respond to every legal argument advanced by the parties. The Proposed Statement of Decision adequately sets forth the factual and legal basis for the Court's ruling.

5. Evidentiary Objections and Requests for Additional Detail:

Respondents' objections seeking further explanation of evidentiary rulings (including judicial notice and treatment of demonstrative materials) are **OVERRULED.**

The Proposed Statement of Decision appropriately sets forth the Court's ultimate findings. Further elaboration on evidentiary matters is unnecessary and not required.

Having considered the parties' submissions, the Court has made minor edits to the Proposed Statement of Decision and the following constitutes the Court's Statement of Decision:

II. PROCEDURAL BACKGROUND

The operative pleading is the Second Amended and Supplemental Petition for Writ of Mandate, filed August 15, 2025. The following chronology is largely undisputed and provides essential context for the Court's analysis.

August 2022. The City Council unanimously approved the MP, adopted amendments to the General Plan and applicable zoning designations, and certified the MP Environmental Impact Report ("MP EIR"). The MP EIR included a Water Supply Assessment finding no significant impacts to groundwater resources.

The MP contemplated phased development of approximately 5,000 residential units over 20 or more years, along with commercial, industrial, and community uses. The EIR acknowledged that a groundwater recharge basin - later referred to variously as the Del Puerto Creek Project, the

City Perc Pond Project, or the Zacharias Recharge Basin - was a component of the MP's water supply infrastructure, to be phased in as development proceeded.

November 2023. Keystone submitted a Preliminary Application pursuant to Senate Bill 330 (Gov. Code, § 65941.1; "SB 330")[1], invoking the Housing Accountability Act and locking in the objective standards in effect on that date.

November 19, 2024. The City Council approved the 2024 consolidated Delta-Mendota Subbasin Groundwater Sustainability Plan. The 2024 GSP included an associated Pumping Reduction Plan ("PRP") requiring the City to reduce its Lower Aquifer pumping to approximately 2,626 acre-feet per year ("AFY") by 2030.

At the time of the April 1, 2025, hearing, the 2024 GSP had not been approved by the Department of Water Resources ("DWR") or the State Water Resources Control Board. Additionally, the record does not establish that the City Council of Patterson separately adopted the PRP.

December 20, 2024. Following Petitioner's appeal of a staff incompleteness determination, the City accepted the VTM application as "complete." This date is significant under the Subdivision Map Act ("SMA") and SB 330 as establishing the objective standards applicable to the application.

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[1] Senate Bill 330, known as the Housing Crisis Act of 2019, is a California law that restricts local governments from enacting development policies that would impede housing production in jurisdictions facing housing shortages. The Act prohibits affected cities and counties from downzoning, imposing development moratoria, or establishing caps on housing units during a housing crisis, with limited exceptions for health, safety, and affordable housing preservation (West's Ann.Cal.Gov.Code § 66300).

February 20, 2025. The Planning Commission, following a public hearing, recommended approval of the VTM, subject to conditions of approval. City staff also recommended approval. The Planning Commission's resolution (AR 405) expressly found that "the project is fully within the scope of the final EIR and none of the conditions described in CEQA Guideline section 15162 have occurred requiring the preparation of a subsequent environmental document."

March 4, 2025. The City Council approved a settlement agreement with the Del Puerto Water District and the Patterson Irrigation District ("Irrigation Districts") resolving a pending CEQA lawsuit (Alameda County Case No. 23CV028091). The settlement was approved in closed session, without Petitioner's participation - notwithstanding Petitioner's status as the named real party in interest in the underlying litigation - and without circulation of any CEQA document or adoption of a mitigation monitoring program. The settlement committed the City to seek imposition of new water supply conditions on MP developers, including accelerated construction of the recharge basin as a Phase 1 precondition.

April 1, 2025. The City Council held a public hearing on the VTM application. During the hearing, the Council recessed into a closed session, the noticed purpose of which was real property negotiations under Gov. Code, § 54956.8. Upon reconvening, the Council denied the VTM by motion - denying Resolution No. 2025-17 - without issuing the written findings required by the HAA.

The conditions of approval the Council proposed required, as a precondition to the issuance of any building permit in the MP area: (1) construction and completion of the Del Puerto

Creek recharge project, at an estimated cost approaching $20 million and with a projected completion date as late as 2030; and (2) purchase of surface water to offset groundwater pumping.

Petitioner declined to accept those conditions, and the Council denied the application.

September 22, 2025. The California Department of Housing and Community Development ("HCD") issued a Technical Assistance Letter concluding that the City's April 1, 2025, denial was inconsistent with the HAA for failure to make required findings and expressing concern that the proposed conditions appeared to constitute an unlawful restriction on housing development under the Housing Crisis Act. The HCD letter is not part of the administrative record before the Court for purposes of review of the April 1, 2025, decision, but is noted for context.

III. REQUESTS FOR JUDICIAL NOTICE AND EVIDENTIARY RULINGS

A. Requests for Judicial Notice

Petitioner's Request for Judicial Notice No. 1 (filed September 18, 2025): The request is **GRANTED IN PART and DENIED IN PART.** Judicial notice is taken of Exhibit A (the 2024 Delta-Mendota Subbasin Annual Water Report), but as to the complete report submitted by the City rather than Petitioner's partial excerpts. Judicial notice is taken of Exhibits B and C. Judicial notice is **DENIED** as to Exhibits D through J, which constitute extra-record material or materials offered to support allegations of pretext and retaliation not at issue in this Phase.

Petitioner's Request for Judicial Notice No. 2 (filed September 29, 2025): The request is **PARTLY GRANTED.** The September 22, 2025, HCD Technical Assistance Letter postdates the April 1, 2025, decision under review and although the Court initially found this constituted

extra-record evidence not to be properly considered in this Phase, the Court does take judicial notice for the context the letter provides.

Petitioner's Request for Judicial Notice No. 3 (filed January 5, 2026): The request is **DENIED IN ITS ENTIRETY.** All materials sought to be noticed postdate the City's April 1, 2025, decision and are not properly considered in this Phase of the proceedings.

B. Evidentiary Objections

The City's evidentiary objections to the Lanferman Declaration are ruled upon as follows:

Objections Nos. 1 - 3 are **OVERRULED.** Objections Nos. 4 - 10 are **SUSTAINED.** These objections pertain to post-decision materials and extra-record evidence of pretext and disparate treatment not properly considered on administrative mandamus in this Phase.

The City's evidentiary objection to the Francois Declaration (Objection No. 11) is **SUSTAINED,** for the same reasons. These rulings are consistent with the Court's determination that its review is confined to the administrative record as it existed at the time of the City's April 1, 2025, decision.

Both parties' PowerPoint presentations, admitted into evidence at the March 3, 2026 oral argument, have been reviewed and considered to the extent consistent with this ruling.

The Court has considered Respondents' objections regarding arguments raised in Petitioner's reply briefing. The Court's determination rests on the administrative record, the governing statutes, and the issues framed in the parties' principal briefs, and does not depend on any new matter in reply. To the extent any reply arguments were considered, they were consistent with positions previously advanced and did not alter the outcome.

IV. STANDARD OF REVIEW

This proceeding is governed by the administrative mandamus standard of Code Civ. Proc., § 1094.5. The applicable standard of review varies by the nature of the issue presented.

On the Housing Accountability Act claims, the Court applies independent judgment review. The HAA places the burden of proof on the local agency to justify a denial by a preponderance of the evidence in the record. (Gov. Code, § 65589.5, subd. (j)(1).) Questions of statutory construction and whether the agency proceeded in the manner required by law are reviewed de novo. (*Honchariw v. County of Stanislaus* (2011) 200 Cal.App.4th 1066, 1075 [132 Cal.Rptr.3d 874]; *California Renters Legal Advocacy & Education Fund v. City of San Mateo* (2021) 68 Cal.App.5th 820, 839 - 40 [283 Cal.Rptr.3d 877]; *The Kennedy Com. v. Superior Court* (2025) 114 Cal.App.5th 385.) The HAA's legislative design - imposing affirmative written findings as a prerequisite to denial and placing the burden on the agency - reflects a deliberate policy choice to subject local housing denials to meaningful judicial scrutiny.

On CEQA claims, the Court applies the abuse of discretion standard: the City's determination as to whether additional environmental review is required is reviewed for prejudicial abuse of discretion under Code Civ. Proc., § 1094.5, subdivision (b), with factual findings sustained if supported by substantial evidence. (*Laurel Heights Improvement Assn. v. Regents of University of California* (1993) 6 Cal.4th 1112, 1123 [26 Cal.Rptr.2d 231, 864 P.2d 502], *as modified on denial of reh'g (Feb. 24, 1994).*) The statute governing supplemental EIR preparation - Pub. Resources Code, § 21166 - creates a presumption against further review once an EIR has been certified; additional review is required only upon a showing of substantial evidence of one of the enumerated triggering conditions.

Where - as here - the City's own staff, Planning Commission, and Community Development Director all concluded after the 2024 GSP's adoption that no supplemental review was warranted, there is an insufficient evidentiary basis to override that determination, even applying the more deferential CEQA standard.

In applying the CEQA standard, the Court has reviewed the City's determination for abuse of discretion and substantial evidence. The Court does not reweigh the evidence, but concludes that, on this record, the City's reversal from its prior determinations is not supported by substantial evidence. The outcome would be the same under either articulation of the applicable standard.

V. HOUSING ACCOUNTABILITY ACT (GOV. CODE, § 65589.5)

A. The City's April 1, 2025, Action Was a "Disapproval" Under the HAA

The HAA prohibits a local agency from disapproving a qualifying housing development project unless it makes specific written findings. (Gov. Code, § 65589.5, subd. (j)(1).) The statute defines "disapprove" to include any final administrative action in which a housing development project application is *not approved*. (Gov. Code, § 65589.5, subd. (h)(6).)

The City's April 1, 2025, action was a "disapproval" within the meaning of the HAA. The City Council voted to deny the VTM by motion. The City's own opposition brief acknowledges that it denied the project. The parties do not dispute that Keystone's 719-unit residential development constitutes a "housing development project" entitled to the protections of the statute.

At oral argument, the Court asked Respondents' counsel directly whether, if the HAA applied, the City would concede that its April 1, 2025, action did not comply with Gov. Code, § 65589.5, subdivision (j)(1). Respondents' counsel confirmed: "We confirm and do not dispute

that we did not make the findings listed under the HAA." The absence of written HAA findings is therefore not in dispute.

The Court has reviewed the City Council's April 1, 2025 proceedings and the findings asserted by Respondents in the administrative record. To the extent those findings addressed CEQA compliance or project conditions, they do not substitute for, or satisfy, the written findings required under the HAA. Accordingly, further detailed recitation of those findings is not necessary to the disposition of the issues presented.

B. The CEQA Carve-Out Does Not Apply

The City argues that its action was not a "disapproval" under the HAA because Gov. Code, § 65589.5, subdivision (h)(6) excepts from that definition actions taken "in furtherance of compliance with [CEQA]." The Court is not persuaded.

The CEQA carve-out preserves a local agency's authority to take preliminary or interim steps in the CEQA process - for example, directing preparation of an environmental document or requiring additional environmental analysis - without those steps being deemed a project disapproval triggering the HAA's findings requirement. The carve-out is not a license to deny a housing application outright while escaping the HAA's procedural requirements by characterizing the denial as CEQA-driven.

Here, the City Council did not direct preparation of a supplemental EIR, adopt CEQA findings, or take any other discrete CEQA action. It voted to deny the VTM application - a final administrative act. That a denial is itself exempt from CEQA is precisely because, as a matter of law, CEQA does not require environmental review of project disapprovals. (Cal. Code Regs., tit. 14, § 15270.) The City cannot simultaneously invoke CEQA to justify its denial and then claim

the denial was not a "disapproval" because it was a CEQA action. The vote to deny was a final administrative action on the VTM application; the HAA therefore applies.

C. The City Did Not Make the Required HAA Findings

To disapprove a qualifying housing development project under the HAA, a local agency must make written findings, based on a preponderance of the evidence in the record, establishing: (1) that approval of the project would have a specific, adverse impact upon the public health or safety; and (2) that there is no feasible method to satisfactorily mitigate or avoid the identified impact. (Gov. Code, § 65589.5, subd. (j)(1).) The burden of proof is on the agency. (*Honchariw*, *supra*, 200 Cal.App.4th at p. 1075.)

No such findings were made here. The Council's action on April 1, 2025, consisted of an impromptu denial motion made after a closed-session recess. The record reflects no written findings identifying a specific, adverse public health or safety impact attributable to the Project, no analysis of the magnitude or likelihood of that impact, and no examination of feasible mitigation measures that would have been less than a complete denial. The City's failure to make the required findings constitutes a failure to proceed in the manner required by law and an abuse of discretion. (Code Civ. Proc., § 1094.5, subd. (b); *Honchariw*, *supra*, 200 Cal.App.4th at p. 1075.)

D. CEQA Does Not Excuse Compliance with the HAA

The Court is sympathetic to the City's position that the 2024 GSP's groundwater pumping requirements may, in certain circumstances, have implications for CEQA review of development projects within the MP. The City was not wrong to take the 2024 GSP seriously, and the Court understands that the City's Council was confronted with a genuinely difficult situation: a newly

adopted groundwater plan that altered the assumptions underlying its existing EIR, coupled with a developer that declined to accept conditions the City believed were necessary to address those changed assumptions. The question, however, is not whether the City had a legitimate water-supply concern, but whether it had a lawful basis to deny the VTM without making the findings the HAA requires. It did not.

The HAA does not exempt local agencies from its requirements merely because they assert a CEQA-based rationale for denial. If anything, CEQA itself did not authorize or require the denial: as discussed in Section VI below, no supplemental EIR had been prepared, none was properly required on this record, and denial of a project is itself a CEQA-exempt action. Accordingly, the City's CEQA justification does not relieve it of its obligations under the HAA.

VI. CALIFORNIA ENVIRONMENTAL QUALITY ACT

A. The March 2025 Settlement Pre-Committed the City in Violation of Save Tara

A central component of the City's justification for denial was the March 4, 2025, settlement agreement with the Irrigation Districts. The Court concludes that the settlement, as executed, was procedurally improper under CEQA.

In *Save Tara v. City of West Hollywood* (2008) 45 Cal.4th 116 [84 Cal.Rptr.3d 614, 194 P.3d 344], *as modified (Dec. 10, 2008)*, the California Supreme Court held that a public agency may not pre-commit to a course of action that forecloses meaningful environmental review before CEQA compliance is complete. The pre-commitment doctrine reflects a bedrock principle: that CEQA's guarantees of public participation and informed decision-making cannot be rendered illusory by binding commitments made before the required analysis occurs. (*Id.* at p. 131–135.)

Here, the March 4, 2025, settlement was negotiated and approved in closed session, without Petitioner's participation as the named real party in interest in the underlying Alameda County litigation, without any circulated supplemental EIR, and without adoption of a mitigation monitoring program.

The settlement committed the City to seek imposition of accelerated recharge basin construction as a Phase 1 precondition - a condition the City then attempted to impose on Petitioner at the April 1, 2025 hearing. The record does not reflect that any CEQA review of the settlement's terms was completed before the City bound itself to pursue those conditions.

The City cannot use a closed-session CEQA settlement to circumvent the public notice, environmental review, and public participation requirements that CEQA mandates. The Court finds that the March 4, 2025, settlement improperly pre-committed the City to conditions that had not been subjected to required CEQA process, in violation of the principles established in *Save Tara*, *supra*, 45 Cal.4th 116.

The Court's discussion of the March 4, 2025 settlement agreement is limited to its relevance to the City's CEQA rationale for the April 1, 2025 decision. The Court does not adjudicate the validity or enforceability of the settlement agreement as between its parties. This analysis is included only to explain why the City's stated basis for denial cannot be sustained on this record.

B. The 2024 GSP Does Not Constitute Changed Circumstances Sufficient to Require Supplemental Environmental Review

The City argues that the 2024 GSP constituted "changed circumstances" or "new information" requiring preparation of a supplemental or subsequent EIR pursuant to Pub.

Resources Code, § 21166 and Cal. Code Regs., tit. 14, § 15162. On the record before it, the Court does not agree.

Pub. Resources Code, § 21166 establishes a protective presumption in favor of an existing, certified EIR: once an EIR has been certified, the lead agency is not required to prepare a subsequent EIR "unless one or more of the following events occurs" - namely, substantial changes to the project, substantial changes in surrounding circumstances, or new information of substantial importance demonstrating that the project will have new or more severe significant effects, or that mitigation measures or alternatives previously found infeasible are now feasible or are substantially less effective. (Pub. Resources Code, § 21166; Cal. Code Regs., tit. 14, § 15162, subd. (a).)

The relevant facts established by the record, and largely undisputed, defeat the City's supplemental review argument. The Project's estimated potable water demand is approximately 138 AFY. The City's Urban Water Master Plan documents a sustainable yield of 10,000 to 12,500 AFY. At the time of the April 1, 2025, hearing, the City was pumping approximately 3,086 AFY - approximately one-quarter of its documented sustainable yield.

Most significantly, *after the 2024 GSP was adopted in November 2024*, the City's own Community Development Director Bryan Stice notified responsible and trustee agencies in January 2025 that the Project was covered by the certified 2022 MP EIR, made no mention of any water shortage or changed circumstances, and provided no indication that supplemental CEQA review was necessary. (AR 17171.)

The Planning Commission staff report (AR 6943) similarly determined the Project was within the scope of the existing EIR and that none of the Cal. Code Regs., tit. 14, § 15162 criteria

had been met. The Planning Commission's resolution recommending approval (AR 405) expressly found that no supplemental environmental review was required. These internal determinations - made by City staff and the Planning Commission *after the 2024 GSP was adopted* - are powerful evidence that the 2024 GSP did not constitute changed circumstances sufficient to trigger Pub. Resources Code, § 21166.

The Court acknowledges that the 2024 GSP imposed pumping reduction targets that differ from the assumptions underlying the 2022 MP EIR, which had assumed a sustainable yield of 10,000 to 12,000 AFY. The City is not without legitimate concern about groundwater planning, and the Court recognizes the City may ultimately need to reconcile the MP EIR's assumptions with the 2024 GSP's requirements through a proper CEQA process. But in the Court's opinion, regulatory developments standing alone do not constitute the "new information of substantial importance" or "changed circumstances" sufficient to trigger supplemental review under Pub. Resources Code, § 21166. (See *Marina Coast Water Dist. v. County of Monterey* (2023) 96 Cal.App.5th 46 [314 Cal.Rptr.3d 19], *as modified on denial of reh'g (Oct. 4, 2023)*.)

The requirement for supplemental review must be supported by substantial evidence of new or more severe project-specific environmental impacts. The City has not met that burden on this record. The 2024 GSP had not been approved by DWR or the State Water Resources Control Board at the time of the denial. The record does not establish that the City Council of Patterson separately adopted the PRP. And the City's own staff, Planning Commission, and Community Development Director - reviewing the Project after the 2024 GSP's adoption - all concluded no supplemental environmental review was warranted. The City's abrupt reversal at the April 1, 2025, hearing was not supported by the evidentiary record before the Council.

VII. HOUSING CRISIS ACT AND SUBDIVISION MAP ACT: CONDITIONS IMPERMISSIBLE ON REMAND

Because the Court grants the writ on HAA and CEQA grounds and remands for reconsideration, it addresses the Housing Crisis Act (Gov. Code, § 66300; "HCA") and the Subdivision Map Act (Gov. Code, § 66410 et seq.; "SMA") only to the extent those statutes limit the conditions the City may lawfully reimpose upon remand.

The conditions the City proposed at the April 1, 2025, hearing were unlawful in two independent respects.

First, requiring construction and completion of the Del Puerto Creek recharge project - at an estimated cost approaching $20 million, with a projected completion date as late as 2030 - as a precondition to the issuance of any building permit anywhere in the approximately 1,300-acre MP area functioned as a *de facto* moratorium on housing development. The Housing Crisis Act prohibits a local agency from imposing a moratorium or similar restriction on housing development absent compliance with specific statutory requirements. (Gov. Code, § 66300, subd. (b).) The record reflects no such compliance.

Moreover, the master plan records do not support the City's position that construction of the recharge basin was *required to precede Phase 1 development*. The master plan document at AR 116 specifically identifies the Keystone Ranch as a project that would proceed "prior to the installation of the major storm drain facilities," including the recharge basin. The phasing narrative at AR 132 - 133 confirms that infrastructure was to be phased equitably among developers and that early-phase developers were not to be front-loaded with the full cost of regional infrastructure designed to serve the entire MP build-out. The recharge basin is designed to serve a volume far exceeding the Project's 138 AFY demand; requiring Petitioner to fund and

complete that facility before proceeding was not consistent with the plan the City had previously approved.

Second, the City's conditions were arguably applied based on standards not in effect when the VTM application was deemed complete in December 2024. Gov. Code, § 66474.2 prohibits a city from applying standards adopted after the application completeness date. The March 2025 CEQA settlement, the unapproved 2024 GSP, and the unadopted PRP were all arguably post-completeness developments. The City's reliance on those instruments to justify new conditions violates the SMA's vesting protections. (See *Kaufman & Broad Central Valley, Inc. v. City of Modesto* (1994) 25 Cal.App.4th 1577 [30 Cal.Rptr.2d 904].)

To the extent the Court uses the term "arguably" here, the Court clarifies that its determination rests on the timing and evidentiary status of the materials relied upon by the City at the April 1, 2025 hearing. The Court concludes that the City may not rely on post-completeness standards or unfinalized instruments in imposing conditions inconsistent with the Subdivision Map Act.

Again, the Court recognizes that the City may need to consider how to harmonize the MP EIR's assumptions with the requirements of the 2024 GSP and the PRP, consistent with state law. Nothing in this ruling forecloses the City from imposing conditions of approval on remand that are lawfully supported by the evidence, proportionate to the Project's actual impacts, consistent with the phasing contemplated by the MP, and based on objective standards in effect on the applicable vesting date. The Court addresses what the City may *not* do; what conditions the City may lawfully impose upon reconsideration is for the City to determine, subject to applicable law and the requirements of the HAA.

VIII. BROWN ACT CLAIMS

In its Sixth Cause of Action Petitioner asserts that the City violated the Ralph M. Brown Act (Gov. Code, § 54950 et seq.) at the April 1, 2025, meeting by: acting on matters outside the noticed agenda; conducting a closed session not properly noticed for action on the VTM; and failing to disclose the bases supporting its action.

Because the Court grants the writ on the HAA and CEQA grounds set forth above and directs the City to set aside the April 1, 2025, denial and undertake new proceedings on remand, the Brown Act claims are **MOOT** and the Court expresses no opinion on them.

IX. REMEDY

A. Peremptory Writ of Mandate

The Court concludes that the City's April 1, 2025 denial of Petitioner's VTM application: (1) constituted a "disapproval" of a qualifying housing development project within the meaning of the HAA; (2) was made without the written findings required by Gov. Code, § 65589.5, subdivision (j)(1); and (3) cannot be justified by the City's CEQA rationale, which is unsupported by the administrative record. A peremptory writ of mandate shall issue.

B. Remand with Instructions

The Court does not direct approval of the VTM. In administrative mandamus, the court's traditional function is to set aside an unlawful decision and remand the matter to the agency for reconsideration under the correct legal standards. (Code Civ. Proc., § 1094.5, subd. (f).) This is the appropriate remedy here.

Upon remand, the City shall reconsider the VTM application in compliance with: the Housing Accountability Act; the Housing Crisis Act; the Subdivision Map Act; Planning and

Zoning Law; and CEQA. The City shall apply standards and requirements that were in effect on the applicable vesting date.

The Court notes that the path to a lawful denial in this case is narrow. Every City official and body that reviewed this application before April 1, 2025 - City staff, City planning staff, the Community Development Director, and the Planning Commission - recommended approval. The HAA requires that any denial be supported by written findings, based on a preponderance of the evidence, of a specific adverse impact on public health or safety and the absence of any feasible mitigation short of denial. Those findings must be grounded in the record. The City's own water supply data - a sustainable yield of 10,000 to 12,500 AFY against current pumping of approximately 3,086 AFY and a Project demand of only 138 AFY - presents a substantial evidentiary burden for any such findings to overcome. The Court does not prejudge the outcome of the remand proceedings; it notes only that the evidentiary bar is high.

C. Conditions Prohibited on Remand

Consistent with Section VII of this ruling, the City is directed, upon remand, *not* to impose the following as conditions of VTM approval:

(1) A requirement that the Del Puerto Creek recharge project (also referred to as the City Perc Pond or Zacharias Recharge Basin) be constructed and completed before the issuance of any building permit in the MP area; and

(2) A blanket requirement that Keystone Ranch or other MP developers purchase surface water to offset groundwater pumping, in the form proposed at the April 1, 2025, hearing.

This ruling does not prevent the City from imposing water supply conditions on remand that are: (a) supported by substantial evidence in the record; (b) proportionate to the Project's actual water demand (approximately 138 AFY) rather than the water demand of the entire MP build-out; (c) consistent with the phasing structure contemplated by the master plan; and (d) based on objective standards that were in effect on the applicable vesting date.

D. Bad Faith Remedy Under Gov. Code, § 65589.5, Subdivision (k)*: Reserved for Phase Two*

Gov. Code, § 65589.5, subdivision (k)(1)(A)(ii) authorizes a court to direct approval of a housing development project - rather than remand - if it finds that the local agency acted in bad faith, meaning its action was "frivolous, pretextual, intended to cause unnecessary delay, or entirely without merit." Petitioner urged the Court to make such a finding based on in-record evidence and to direct immediate approval.

The Court declines to make a bad faith finding in this Phase. The Court observes, however, that what the administrative record primarily reflects is a City Council caught between two bodies of competing state law - not an agency acting with the kind of deliberate, wrongful, or pretextual purpose that the bad faith standard is designed to reach. The CEQA obligations the City perceived to be triggered by the 2024 GSP were genuine in origin, even if the City's legal analysis of their scope and effect was flawed.

But the HAA bad faith standard - requiring conduct that is "frivolous, pretextual, intended to cause unnecessary delay, or entirely without merit" - contemplates something more culpable than a legal misjudgment made under conditions of regulatory uncertainty. The bad faith remedy under the HAA and the constitutional claims in the Seventh and Eighth Causes of Action remain

reserved for Phase Two proceedings, where the full record, including any properly admitted extra-record evidence, may be considered and weighed against the applicable legal standard.

The Court makes no finding on the merits of those claims at this stage. It notes only that the line between legal error and bad faith is a meaningful one, and that it will govern the Phase Two inquiry. The Court further notes that the parties may wish to consider whether the remand proceedings under Phase One will substantially resolve the practical disputes between them, rendering Phase Two litigation unnecessary.

E. Compliance Deadline and Retention of Jurisdiction

The City shall comply with this ruling and take action on the VTM application consistent with the requirements of the Housing Accountability Act within **90 days** of the entry of the peremptory writ of mandate. The City shall file a return with this Court documenting its compliance. The Court retains jurisdiction over this proceeding to enforce compliance with the writ and to address any disputes arising from the City's remand proceedings.

X. DISPOSITION

All causes of action asserted in Phase One have been resolved by this ruling. The Court's grant of writ relief fully addresses the parties' rights concerning the April 1, 2025 decision.

For the foregoing reasons, it is ORDERED, ADJUDGED, and DECREED as follows:

1. GRANT OF PETITION:

The Petition for Writ of Mandate is **GRANTED** as to the First, Second, Third, Fourth and Fifth Causes of Action asserted in the operative Second Amended Petition.

2. **PEREMPTORY WRIT OF MANDATE:**

A peremptory writ of mandate shall issue directing the City of Patterson to: (a) set aside its April 1, 2025 action denying Petitioner's Vesting Tentative Map Application; and (b) to reconsider the application in compliance with the Housing Accountability Act, the Housing Crisis Act, the Subdivision Map Act, applicable planning and zoning law, and CEQA, based on standards in effect on the applicable vesting date.

3. **CONDITIONS ON REMAND:**

Upon remand, Respondents shall not impose the conditions identified in Section IX(C) of this Statement of Decision.

4. **RETURN AND COMPLIANCE TIMELINE:**

Respondents shall complete reconsideration of the VTM application and file a return demonstrating compliance within **90 days** of entry of the writ. The Court retains jurisdiction to enforce compliance.

5. **DISPOSITION OF REMAINING PHASE ONE CLAIMS:**

The Sixth Cause of Action (Declaratory Relief) is resolved in conformity with the Court's grant of writ relief and requires no further independent relief.

6. **PHASE TWO CLAIMS:**

The Seventh and Eighth Causes of Action are not resolved by this ruling and remain bifurcated for Phase Two proceedings. All issues relating to bad faith under Gov. Code, § 65589.5,

subdivision (k)(1)(A)(ii), constitutional claims, and claims under 42 U.S.C.A. § 1983 are reserved for Phase Two.

7. **PREVAILING PARTY (PHASE ONE ONLY):**

Petitioner is the prevailing party for purposes of Phase One proceedings only. The determination of attorneys' fees and costs, and the ultimate prevailing party status for the action as a whole, is reserved.

8. **REMAINING ISSUES:**

All other arguments regarding the April 1, 2025 denial not expressly addressed herein are **MOOT** in light of the remand.

Petitioner shall prepare a Judgment and Writ of Mandate consistent with the Court's Statement of Decision within fourteen (14) days after notice of the decision.

DATED: June 26, 2026

SONNY S. SANDHU,
JUDGE OF THE SUPERIOR COURT

SUPERIOR COURT OF CALIFORNIA, COUNTY OF STANISLAUS 800 11th Street Modesto, CA 95355	
Case Name: KEYSTONE RANCH LLC vs CITY OF PATTERSON	Case #: CV-24-003269
CLERK'S CERTIFICATE OF ELECTRONIC SERVICE	

I certify that I am over the age of 18, employed by the Superior Court of the State of California, County of Stanislaus, and not a party to this action. I certify that I served a copy of the attached **STATE OF DECISION ON PETITION FOR WRIT OF MANDATE** by electronic service as indicated below.

Recipients Served Electronically

The transmission originated from a Stanislaus County Superior Court email address on **June 26, 2026**, at **1:21 PM PST.**

DLANFERMAN@RUTAN.COM

ANGELA@WHITEBRENNERLLP.COM

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on **June 26, 2026**, at Modesto, California.

By *Nicole Nelson*

Nicole Nelson, Deputy Clerk
SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF STANISLAUS