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STANISLAUS COUNTY SUPERIOR COURT BLOCKS CITY OF PATTERSON'S UNLAWFUL FEE INCREASES

Keystone Ranch and the Building Industry Association of the Greater Valley Secure Injunction Against City's Development Fee Hike

Patterson, CA – June 10, 2025 – The Stanislaus County Superior Court has issued a preliminary injunction that prohibits the City of Patterson from enforcing or implementing a range of new development impact fees and improvement fees that the Patterson City Council unlawfully approved in late 2024. This ruling follows a lawsuit filed by Keystone Ranch, LLC, and the Building Industry Association of the Greater Valley (BIAGV), which challenges the City's ongoing misconduct in obstructing new housing developments through unjustified fees and closed-door decision-making processes.

"Keystone Ranch has spent nearly a decade working in good faith to build housing in Patterson, only to be repeatedly blocked by the City," said Pat Gavaghan, President of Keystone Corporation. "It's very gratifying that the Court ruled in our favor. We're looking forward to finally moving forward and delivering the housing this community desperately needs—without unlawful fees or procedural gamesmanship that violate state law and put the City's housing plans at risk."

The lawsuit, filed in December 2024, claims that the City acted unlawfully by hastily pushing the new fees through the City Council. This was done without providing the public with timely advance notice and accurate information as required by California's "open meeting laws," including the Brown Act and the Mitigation Fee Act. The complaint further asserts that the City relied on flawed and noncompliant "fee studies" and failed to demonstrate that the new fees were legally justified, thereby violating both state law and constitutional protections.

"We're grateful for the Court's ruling," said John Beckman, CEO of the Building Industry Association of the Greater Valley. "Our members—homebuilders and related businesses committed to responsible growth—deserve transparent and lawful processes. When local governments fail to uphold these standards, it undermines public trust and undermines much-needed development. This ruling is a positive step toward ensuring accountability and fairness."

The complaint is one of two legal actions Keystone has taken to jumpstart Keystone Ranch, a proposed housing project in Patterson, roughly 90 miles southeast of San Francisco. Located on a 95-acre site that is part of the larger Zacharias Master Plan Area, the project includes 719 single- and multi-family housing units, a 7.68-acre park, and a bike and pedestrian pathway.

The Zacharias Master Plan is a roadmap that the City Council of Patterson unanimously approved in 2022 and is essential to meeting the benchmarks of the City's 6th Cycle Housing Element. The City needs the housing units within Keystone Ranch or will fail to meet the housing mandate and risk losing state funding by remaining out of compliance with the California Department of Housing & Community Development. The City is already more than a year late in pursuing State approval for an updated Housing Element.

This preliminary injunction addresses only the procedural violations at issue in the Motion. A trial on the full set of legal and constitutional deficiencies in the new development fee enactments remains scheduled for June 20, 2025.

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About Keystone Corporation

Founded in 1979, Keystone Corporation is an award winning national real estate development company. The company has positively impacted the Patterson community through the development of the Keystone Pacific Business Park and the Patterson Gardens community as well as through philanthropic efforts, contributing hundreds of thousands of dollars toward renovations of the Patterson High School football stadium and Patterson Aquatic Center. Visit the project website at www.exposingpatterson.com.

About BIA GV

The Building Industry Association of the Greater Valley's mission is to meet the housing needs of our communities, protect stable and livable wage jobs, and advocate for responsible development, land-use, and building policies in the Greater Central Valley.