Opinion: State Letter Proves What We've Been Saying All Along — Patterson Got It Wrong on Keystone Ranch

By Pat Gavaghan Oct 19, 2025

Patterson is in a housing crisis — and instead of building homes for working families, the City of Patterson has spent years blocking them. Keystone Ranch, a part of the Zacharias Annexation, is a 719-home community designed in cooperation with the city to meet Patterson's own housing goals that has been delayed at every turn for more than 15 years.

The City Council initially approved our project, as part of the Zacharias-Baldwin Master Plan, in August 2022. The following July, LAFCO approved the plan. The city's own studies repeatedly confirmed there would be enough water to serve the Master Plan and that our project would not adversely impact groundwater. Despite these events, the city has stalled and blocked progress and on April 1, 2025, the City Council denied our project.

Now, the State of California has confirmed what we've said all along: the city's denial of Keystone Ranch wasn't just wrong — it violated state housing law.

In a September 22, 2025, letter, the California Department of Housing and Community Development (HCD) warned that absent additional documentation, the city violated multiple state laws when it imposed impossible conditions and ultimately rejected our project. These include the Housing Accountability Act (HAA) and the Housing Crisis Act (HCA) — two of the most important laws California uses to ensure cities don't block housing. The letter also notes that Patterson's actions conflict with the city's 6th Cycle Housing Element.

At the heart of HCD's findings is a simple fact: cities cannot deny a compliant housing project unless they prove it poses a specific, unmitigable threat to public health or safety. The City of Patterson never made such a finding — because there was no such threat.

Instead, the city, at the advice of its contracted Deputy City Attorney, Doug White, tried to force Keystone Ranch to pay the entire $20 million cost of a massive citywide groundwater project — infrastructure meant to serve the entire city. Then it went further, demanding the facility be built before Keystone could even apply for building permits. That's not planning — that's obstruction. This demand would have imposed a five-year moratorium on housing construction; an approach state law clearly forbids.

Why would the city act this way? Why would it waste millions of taxpayer dollars on legal bills to block Keystone Ranch?

The uncomfortable truth is that our decision to rely on state housing law to protect our rights under SB 330 — a law that freezes local fees once a project is submitted — appears to have triggered political backlash. Instead of applying the law fairly, the city made our path harder. That's not just poor governance — it's potentially discriminatory and retaliatory behavior that undermines public trust.

HCD has ordered Patterson to explain itself by October 22 — to provide a written response detailing why it ignored state law and how it plans to fix it. If the city can't justify its actions, the case could be referred to the Attorney General for enforcement.

Here's why Patterson residents should care: this isn't just about Keystone. It's about whether your local government is following the law, spending your tax dollars responsibly, and addressing California's housing crisis.

And, as the City continues to make questionable decisions that leave it vulnerable to even greater liability, it's important to ask if the City's Sacramento-based legal counsel, White Brenner LLP, led by attorney Doug White, is intentionally providing bad legal advice so they can bill even more to litigate their manufactured problems?

Keystone Ranch complies with all state and local laws. For more than two decades, Keystone has proven we can deliver — not just homes and jobs, but parks, funding for schools, and the amenities this community depends on. It's time for the city to stop blocking progress and follow the law.

Keystone Corporation is an award-winning international real estate developer — and the first professional firm to invest in Patterson's future. Starting the entitlement process in 1999, and developed the 988-home Patterson Gardens subdivision from 2003 to 2006. Keystone also sold the land for the Walmart Supercenter, and developed Keystone Pacific Business Park — projects that created over 5,000 jobs and parklands used by generations of Patterson families. Keystone also contributed significantly to Patterson High School's stadium and the city pool.

To learn more, sign up on our website:

EXPOSINGPATTERSON.COM