

Date of Hearing: June 9, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
SB 1344 (Cabaldon) – As Amended June 3, 2026

SENATE VOTE: 30-7

SUBJECT: CIVIL ACTIONS: HOUSING DEVELOPMENT PROJECTS

SYNOPSIS

The California Environmental Quality Act has long been accused of being the main roadblock to developing more affordable housing and other necessary facilities to help combat homelessness in California. Notwithstanding these contentions, in reality the rate of actual litigation under the California Environmental Quality Act remains relatively low when compared to the total amount of projects subject to environmental review in the state. Despite the relatively low rate of litigation involving the California Environmental Quality Act, in some parts of the state, residents dedicated to stopping development are repeatedly suing virtually every project approved by their local jurisdiction under the California Environmental Quality Act. Seeking to deter these meritless and vexatious cases, in 2024, the Legislature adopted SB 393 (Glazer) Chap. 285, Stats. 2024, which significantly strengthened the existing law that required vexatious litigants in California Environmental Quality Act litigation to obtain a litigation bond in order to proceed with their case.

This measure seeks to build on SB 393 and ensure that other critical developments to assist in combatting homelessness can avail themselves of the vexatious litigant statute. First, this bill permits priority care developments to avail themselves of the statute imposing bonds on vexatious litigants in California Environmental Quality Act cases. The bill also increases the maximum dollar amount of the bond from \$500,000 to \$1,000,000. Finally, the bill adopts a special motion to strike process, largely modeled after anti-SLAPP procedures, for cases challenging priority care developments.

This bill is sponsored by Attorney General Rob Bonta and is supported by an array of pro-housing development organizations. The groups note that the existing bonding statute for California Environmental Quality Act challenges is narrow and leaves too many types of developments unprotected from vexatious litigants. This bill has no known opposition.

SUMMARY: Increases the amount of a bond that must be obtained by a potentially vexatious litigant in California Environmental Quality Act cases involving affordable housing developments from \$500,000 to \$1,000,000 and authorizes priority care developments to avail themselves of the bond provisions when a project is challenged under the Act. Specifically, **this bill:**

- 1) Provides that if a low- or moderate-income housing development or a priority care development is challenged pursuant to the California Environmental Quality Act a defendant may apply to the court, by noticed motion, for an order requiring the plaintiff to furnish an undertaking as security for costs and any damages or economic hardships that may be incurred by the defendant by the conclusion of the action or proceeding as the result of a

delay in carrying out the development project if the defendant can prove the action was brought in bad faith, vexatiously, for the purpose of delay, or to thwart the project.

- 2) Increases the amount of a bond that a plaintiff may be required to furnish if a judge approves a motion pursuant to 1) from \$500,000 to \$1,000,000.
- 3) Clarifies that for the purpose of 1) “plaintiff” includes “petitioner,” “cross-petitioner,” and “cross-plaintiff,” and “defendant” includes “respondent,” “cross-respondent,” “cross-defendant,” and “real party in interest.”
- 4) Clarifies which types of development projects for which a special motion to strike the whole or any part of a pleading is appealable to the Court of Appeal.
- 5) Provides that in all civil actions brought by any petitioner to challenge the approval or permitting of a priority care development project, including actions brought pursuant to the California Environmental Quality Act, a respondent may bring a special motion to strike the whole or any part of a pleading, which is to be denied if the court determines that the petitioner has established that there is a probability that the petitioner will prevail on the claim.
- 6) Requires a court determining whether to grant a special motion to strike filed pursuant to 5) to make the determination based on the pleadings, and supporting and opposing affidavits stating the facts upon which the liability or defense is based, as specified.
- 7) Defines a “priority care development” as a project funded by specified funds intended to support to Community Care Expansion, the Behavioral Health Services Act, and Behavior Health Infrastructure Bond Act funded projects, including Homekey+.

EXISTING LAW:

- 1) Establishes the California Environmental Quality Act that, generally, requires a public agency to prepare, or cause to be prepared, and to certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have significant effects. (Public Resources Code Section 21100 *et seq.*)
- 2) Defines a “project” for the purpose of the California Environmental Quality Act as an activity that may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and includes any of the following:
 - a) An activity directly undertaken by any public agency;
 - b) An activity undertaken by a person which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies; or
 - c) An activity that involves the issuance to a person of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies. (Public Resources Code Section 21065.)

- 3) Provides that an action or proceeding to attack, review, set aside, void, or annul the acts or decisions of a public agency on the grounds of noncompliance with the California Environmental Quality Act may be commenced when it is alleged that:
 - a) A public agency is carrying out or has approved a project that may have a significant effect on the environment without having determined whether the project may have a significant effect on the environment;
 - b) A public agency has improperly determined whether a project may have a significant effect on the environment;
 - c) An environmental impact report prepared by, or caused to be prepared by, a public agency does not comply with the California Environmental Quality Act;
 - d) A public agency has improperly determined that a project is not subject to the California Environmental Quality Act; or
 - e) Any other act or omission of a public agency does not comply with the California Environmental Quality Act. (Public Resources Code Section 21167.)
- 4) Requires the superior court and court of appeal to provide lawsuits related to the California Environmental Quality Act preference over all other civil actions therein, in the matter of setting the same for hearing or trial, and in hearing the same, to the end that the action or proceeding to be quickly heard and determined. (Public Resources Code Section 21167.1 (a).)
- 5) Requires counties with a population of over 200,000 to designate one or more judges to develop expertise concerning the California Environmental Quality Act and related land-use and environmental matters, and then assign such matters to that judge or those judges. (Public Resources Code Section 21167.1 (b).)
- 6) Provides that the California Environmental Quality Act does not apply to urban infill projects, as specified. (Public Resources Code Section 15332.)
- 7) Provides that in civil actions, including those brought by any plaintiff to challenge a housing development project which is a development project which meets or exceeds the requirements for low- or moderate-income housing a defendant may, if the bringing of the action or the seeking by the plaintiff of particular relief including, but not limited to, injunctions, has the effect of preventing or delaying the project from being carried out, apply to the court by noticed motion for an order requiring the plaintiff to furnish an undertaking as security for costs and any damages that may be incurred by the defendant by the conclusion of the action or proceeding as the result of a delay in carrying out the development project. (Code of Civil Procedure Section 529.9 (a).)
- 8) Requires a defendant seeking a security to demonstrate that the action was brought without merit and that the action was brought in bad faith, vexatiously, for the purpose of delay, or to thwart the low- or moderate-income nature of the housing development project. (*Ibid.*)

- 9) Requires a plaintiff seeking to contest the imposition of a financial security, as specified in 7), to demonstrate that the plaintiff will suffer undue economic hardship by filing the financial undertaking. (Code of Civil Procedure Section 529.9 (b).)
- 10) Permits in any litigation pending in any court of this state, at any time until final judgment is entered, a defendant to move the court, upon notice and hearing, for an order requiring the plaintiff to furnish security. Requires that the motion for an order requiring the plaintiff to furnish security must be based upon the ground, and supported by a showing, that the plaintiff is a vexatious litigant and that there is not a reasonable probability that they will prevail in the litigation against the moving defendant. (Code of Civil Procedure Section 391.1.)
- 11) Defines a “vexatious litigant” as a person who does any of the following:
 - a) In the immediately preceding seven-year period has commenced, prosecuted, or maintained in propria persona at least five litigations, other than in a small claims court that have been finally determined adversely to the person or unjustifiably permitted to remain pending at least two years without having been brought to trial or hearing;
 - b) After a litigation has been finally determined against the person, repeatedly relitigates or attempts to relitigate, in propria persona, either the validity of the determination against the same defendant or defendants as to whom the litigation was finally determined or the cause of action, claim, controversy, or any of the issues of fact or law, determined or concluded by the final determination against the same defendant or defendants as to whom the litigation was finally determined;
 - c) In any litigation while acting in propria persona, repeatedly files unmeritorious motions, pleadings, or other papers, conducts unnecessary discovery, or engages in other tactics that are frivolous or solely intended to cause unnecessary delay; or
 - d) Has previously been declared to be a vexatious litigant by any state or federal court of record in any action or proceeding based upon the same or substantially similar facts, transaction, or occurrence. (Code of Civil Procedure Section 391 (b).)
- 12) Provides that in all civil actions brought by any plaintiff to challenge the approval or permitting of a priority housing development project, including, but not limited to, actions brought pursuant to the California Environmental Quality Act, a defendant may bring a special motion to strike the whole or any part of a pleading. (Code of Civil Procedure Section 425.19.)
- 13) Provides that a cause of action against a person arising from any act of that person in furtherance of the person’s right of petition or free speech under the United States Constitution or the California Constitution in connection with a public issue shall be subject to a special motion to strike. (Code of Civil Procedure Section 425.16.)

FISCAL EFFECT: As currently in print this bill is keyed non-fiscal.

COMMENTS: The California Environmental Quality Act (CEQA), and the threat of litigation to enforce the Act, are frequently held up as some of the largest driving factors of California’s persistent homelessness crisis. Although the actual rate of CEQA litigation is relatively small

when compared to the totality of development across the state, in 2024, the Legislature recognized that a small handful of vexatious litigants generated a large portion of the actual cases filed under CEQA. Accordingly, the Legislature modernized the financial assurances statutes that protect affordable housing projects by adopting SB 393 (Glazer) Chap. 285, Stats. 2024. SB 393 shifted the burden of proving that a vexatious plaintiff could not afford to put up a litigation bond from the defendant to the plaintiff. This bill would add “priority care development” projects to the list of projects eligible for the imposition of a CEQA litigation bond on a plaintiff and increase the maximum amount of the bond to \$1,000,000. The bill also permits a special motion to strike to be filed for CEQA challenges to priority care development projects. In support of the bill the author states:

As of the most recent point-in-time count in 2025, approximately 187,000 Californians were experiencing homelessness on any given night. Local governments across the state are doing the right thing, approving permits for emergency shelters, interim housing, and supportive housing for people experiencing homelessness, as well as residential facilities for unhoused individuals seeking treatment for behavioral health issues or substance use disorder. Those efforts are regularly met with frivolous lawsuits from groups whose only goal is delay.

The Legislature has already passed laws to protect affordable housing projects from these kinds of lawsuits, allowing courts to quickly dispose of meritless challenges and requiring plaintiffs to post financial security when their lawsuit lacks merit and is brought in bad faith or to delay or thwart construction. SB 1344 applies that policy to housing projects that are funded through the Community Care Expansion program, the Behavioral Health Services Act, and the Behavioral Health Infrastructure Bond Act, including Homekey+. This bill extends both tools to these priority care developments and doubles the liability cap on the bond requirement, which has not been updated since 1981, from \$500,000 to \$1,000,000, indexed to inflation going forward.

SB 1344 would help protect local governments that are doing their part to address homelessness, ensure these important projects are not unnecessarily delayed or blocked through abuse of the judicial system, and protect the public’s investment in infrastructure to bring every Californian inside.

The CEQA process and potential court challenges. At its core, CEQA seeks to ensure that public agencies do not approve projects without considering the negative impacts a project may inflict on the environment. Although CEQA is too often, and incorrectly, viewed as a tool to skew outcomes in a manner that favors environmentalists and deters development, in reality, “CEQA operates, not by dictating proenvironmental outcomes, but rather by mandating that ‘decision makers and the public’ study the likely environmental effects of contemplated government actions and thus make fully informed decisions regarding those actions.” (*Citizens Coalition Los Angeles v. City of Los Angeles* (2018) 26 Cal.App.5th 561, 577.) Thus, the primary objective of the environmental review required by CEQA is to steer agency decision makers into *approving* projects in a manner that utilizes feasible alternatives and mitigation measures to lessen the project’s impact on the environment. The consideration of the impacts of a project is to be analyzed in the agency’s environmental impact report. The failure to properly consider a project’s impacts is what typically results in litigation.

The process of finalizing an environmental impact report requires several steps. First the local lead agency must determine if a project qualifies for one of the many exemptions to CEQA

provided in statute and the Office of Planning and Research's regulations, more commonly known as the CEQA Guidelines. If no exemption exists, the lead agency must then begin to initially study the project in order to determine the scope of the project and associated environmental review. At this point if the agency believes no environmental impacts exist they may opt to file a negative declaration stating as much and proceed to approve the project. Once the scope of the project and review is properly determined, the environmental review is conducted and a draft environmental impact report is submitted for public comment. A lead agency must respond to all written comments on the environmental impact report received during the public comment period, and revise the environmental impact report as necessary. The responses to comments should explain why the comments are rejected or if the comment resulted in the adoption of a mitigation measure. Once the public review is completed the agency can certify the final environmental impact report.

Once a final environmental impact report is certified, and a project is subsequently approved, any litigation over the environmental review of the project can begin. Courts require an environmental impact report to make a good faith effort at fully disclosing the impacts of the project, provide a detailed set of information about project impacts and serve as the foundation for agency review. The court must review the environmental impact report in two ways. First a court must determine if the environmental impact report was prepared in a procedurally sufficient manner, as described above, and contains the proper content as required by law. Secondly, the court must determine the substantive aspect of its review and determine whether the conclusions and decisions made by the lead agency are based on substantial evidence in the record. (*Vineyard Area Citizens v. City of Rancho Cordova* (2007) 40 Cal.4th 412.)

Existing laws seek to deter vexatious litigants from clogging the justice system with frivolous lawsuits. Despite anecdotal complaints that California's laws generate significant numbers of "frivolous lawsuits," in practice California maintains a relatively strong set of laws to deter plaintiffs from repeatedly pursuing frivolous litigation. Under existing law, a party is deemed a "vexatious litigant" if they have lost, or failed to make significant progress in, litigating five claims or attempts to relitigate a final judgment against the same defendant over a seven-year period. Once a party is deemed to be a vexatious litigant, they are required to post a security bond at the commencement of litigation to cover all costs and damages incurred by the person who is sued by a vexatious litigant to ensure that if the litigant fails (again) to prove their case, the defendant will not be harmed. Additionally, should the vexatious litigant fail to adhere to specific orders issued by the court, including orders dictating how the litigant may file cases, the litigant can face significant court sanctions.

However, in the CEQA context, simply recovering legal costs and damages may be insufficient, especially if the litigation causes an affordable housing project to be abandoned completely. Accordingly, existing Code of Civil Procedure Section 529.2 permits a judge to impose a security on a plaintiff, at the request of a defendant, if the defendant can show the action is meritless and brought in bad faith, vexatiously, for the purpose of delay, or to thwart a low- or moderate-income housing development project. Existing law also prohibits the imposition of a financial security if doing so would be financially harmful to the plaintiff. By limiting these provisions to low and moderate-income projects, the existing law also targets those projects most desperately in need of construction, and most likely to be attacked by affluent neighbors.

This process, as it relates to the showing of financial hardship, requires the plaintiff to demonstrate that they will suffer undue economic hardship by posting the bond. This new

process reflects the revisions adopted by SB 393 to put more onus on those challenging affordable housing developments to ensure that their claims were meritorious and not simply delay tactics.

This bill would add priority care developments to the CEQA vexatious litigant process and permit special motions to strike for challenges to these developments. The bill seeks to advance three primary objectives to protect priority care development projects, which the bill generally defines as projects funded by the Community Care Expansion program, the Behavioral Health Services Act, and Behavior Health Infrastructure Bond Act funded projects, including Homekey+. First, the bill authorizes defendants in legal challenges to these projects to avail themselves of the above-discussed CEQA bonding statute for vexatious litigants. Secondly, recognizing the growing cost of construction in California, the bill increases the maximum bond amount that may be imposed on a plaintiff from \$500,000 to \$1,000,000. Finally, the bill adopts an anti-SLAPP-like special motion to strike process for challenges to priority care developments and clarifies that appeals of these special motions to strike may immediately proceed to the Court of Appeal.

California’s anti-SLAPP statute seems to be an appropriate model for the motion to strike procedures provided in this bill. California’s anti-SLAPP statute recognizes that a cause of action against a person arising from any act of that person in furtherance of the person’s right of petition or free speech may be impermissible and filed in bad faith. Accordingly, should a person believe that a lawsuit was brought in an attempt to limit their speech, the existing law authorizes a special motion to strike the pleading to be sought in order to obtain an expedited judicial ruling and termination of a meritless claim arising from a person’s exercise of their constitutional rights of petition and free speech in connection with a public issue. This special motion to strike must be brought within 60 days of service of complaint, and if granted by a judge, can result in an award of attorney fees and costs, stays discovery proceedings, and must be heard within 30 days if the court’s docket permits.

Recognizing that the anti-SLAPP provisions worked fairly well in the speech context they have been adopted for cases involving meritless challenges to housing development. (Code of Civil Procedure Section 425.19.) This bill would adopt similar procedures, including the above described timelines and remedies, for challenges to priority care developments.

ARGUMENTS IN SUPPORT: This bill is sponsored by Attorney General Rob Bonta and is supported by several pro-development and pro-housing organizations. In support of the bill the Attorney General writes:

California supports local efforts to address homelessness through funding programs and by supporting local planning efforts. Unfortunately, local governments that are following the law and attempting to do the right thing by approving permits for shelters, care facilities, and supportive housing are regularly met with meritless lawsuits from NIMBY groups endeavoring to block projects.

The California State Legislature has created two procedural tools to protect local governments from meritless challenges to affordable housing projects – the motion to strike under SB 439 (Skinner, 2023) and the bond requirement strengthened by SB 393 (Glazer, 2024).

Unfortunately, these provisions do not protect local governments from meritless lawsuits challenging the approval of other projects that are essential to tackling California's intertwined housing and homelessness crisis, and delay can interfere with public funding windows and jeopardize projects.

SB 1344 would expand these procedural tools to also apply to projects funded by the Community Care Expansion Program (CCE), the Behavioral Health Services Act, and the Behavioral Health Infrastructure Bond Act, including Homekey+. These programs fund interim housing for people experiencing homelessness or at risk of homelessness, adult and senior care facilities that serve elderly adults and people with disabilities who are experiencing or at risk of homelessness, and other residential care facilities, including more than \$1 billion in housing investments for veterans who have behavioral health challenges.

REGISTERED SUPPORT / OPPOSITION:

Support

Attorney General Rob Bonta (sponsor)
Abundant Housing Los Angeles
California Housing Consortium
California YIMBY
Eden Housing
Housing Action Coalition
Mayor Todd Gloria, City of San Diego
SPUR
Student Homes Coalition

Opposition

None on file

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