UNFINISHED BUSINESS

Bill No: SB 1344
Author: Cabaldon (D), et al.
Amended: 8/18/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 12-0, 4/21/26
AYES: Umberg, Niello, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Valladares

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 30-7, 5/19/26
AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NOES: Alvarado-Gil, Grove, Hurtado, Ochoa Bogh, Seyarto, Strickland, Valladares
NO VOTE RECORDED: Choi, Jones, Niello

ASSEMBLY FLOOR: 61-9, 8/26/26 - See last page for vote

SUBJECT: Civil actions: housing development projects

SOURCE: Author

DIGEST: This bill provides a mechanism for a defendant in a civil action, including under the California Environmental Quality Act (CEQA), challenging a project that is a priority care development project, as defined, to seek an order requiring the plaintiff to furnish an undertaking as security for costs and damages that may be incurred by the defendant if the bringing of the action by the plaintiff would result in preventing or delaying the project, and raises the amount the undertaking can be to no more than $1,000,0000. This bill also creates a special

motion to strike a challenge to the approval or permitting of a priority care development project modeled after California's anti-Strategic Lawsuit against Public Participation (anti-SLAPP) statute.

Assembly Amendments remove the requirement that a motion is to be scheduled by the clerk of the court for a hearing not more than 30 days after the service of the motion, authorizes the special motion to be filed within 60 days of service instead of requiring it to be filed, and makes chaptering out amendments.

ANALYSIS:

Existing law:

1) Requires lead agencies with the principal responsibility for carrying out or approving a proposed discretionary project to prepare a negative declaration, mitigated declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA (CEQA includes various statutory exemptions, as well as categorical exemptions in the CEQA Guidelines). (Public Resources (Pub. Res.) Code § 21100 et seq.)

2) Sets requirements relating to the preparation, review, comment, approval and certification of environmental documents, as well as procedures relating to an action or proceeding to attack, review, set aside, void, or annul various actions of a public agency on the grounds of noncompliance with CEQA. (Pub. Res. Code § 21165 et seq.)

3) Authorizes judicial review of CEQA actions taken by public agencies, following the agency's decision to carry out or approve the project, and specifies certain time periods in which an action must be instituted depending on the type of claim alleged. (Pub. Res. Code § 21167.)

4) Requires the superior court and court of appeal to provide lawsuits related CEQA 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 is to be quickly heard and determined. (Pub. Res. Code § 21167.1(a).)

5) Provides that in all 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 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 if the bringing of the action has the effect of preventing or delaying the project from being carried out. (Code of Civil Procedure (Code Civ. Proc.) § 529.9(a).)

a) Provides that a defendant seeking a security must make a motion for that security on the grounds that the action is without merit and 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*.)
b) Authorizes the plaintiff, in response to a motion for an undertaking, to seek to limit the amount of the undertaking by presenting admissible evidence that filing an undertaking will cause it, and in cases where the plaintiff is an unincorporated association, its members, to suffer undue economic hardship. (*Id* at subd. (b).)

6) Requires the court, if the court determines after a hearing that the grounds for the motion have been established, to order the plaintiff to file the undertaking in an amount specified in the court's order, taking into consideration any admitted evidence of plaintiff's economic hardship and avoiding to cause the plaintiff to suffer undue economic hardship, as security for costs and damages of the defendant.
   a) The liability of the plaintiff for the costs and damages of the defendant is not to exceed $500,000.
   b) If the court concludes, based on all of the admissible evidence presented, that a bond in any amount would cause the plaintiff undue economic hardship, the court is authorized in its discretion to decline to impose a bond.
   c) If at any time after the plaintiff has filed an undertaking the housing development plan is changed by the developer in bad faith so that it fails to meet or exceed the requirements for low- or moderate-income housing, the developer is liable to the plaintiff for the cost of obtaining the undertaking. (*Ibid*.)

7) Establishes anti-SLAPP procedures, including for all civil actions brought to challenge a priority housing development project. (Code Civ. Proc. § 425.19(b).)
   a) A "priority housing development" means a development in which 100 percent of the units, exclusive of any manager's unit or units, will be reserved for lower income households, as defined in Section 50079.5 of the Health and Safety Code, for at least 55 years. (Code Civ. Proc. § 425.19(c).)
   b) Entitles a prevailing defendant, with certain exceptions, to attorney's fees and costs; likewise for a prevailing plaintiff, provided the court finds the

motion was frivolous or solely intended to cause unnecessary delay pursuant to Section 128.5 of the Code of Civil Procedure. (Code Civ. Proc. § 425.19(b)(2).)

c) Stays discovery proceedings upon filing of notice of a SLAPP motion. (Code Civ. Proc. § 425.19(b)(5).)
d) Provides that these provisions do not apply any enforcement action brought in the name of the people of the State of California by the Attorney General, district attorney, or city attorney, acting as a public prosecutor.

This bill:

1) Defines "priority care development" to mean any projects funded, in whole or in part, pursuant to Sections 5892 (Mental Health Services Fund) or 5965.04 (Behavioral Health Infrastructure Bond Act of 2024), or subdivision (c) of Section 18999.97 (grants under the Community Care Expansion Program), of the Welfare Institutions Code. A "priority care development" does not include a "detention facility" as defined in subdivision (a) of Section 9500 of the Penal Code.

2) Establishes an anti-SLAPP motion statute similar to the one for a priority housing development, described in 5) above.

3) Authorizes a defendant in a civil action, including under CEQA, challenging a project that is a priority care development project, as defined, to seek an order requiring the plaintiff to furnish an undertaking as security for costs and damages that may be incurred by the defendant if the bringing of the action by the plaintiff would result in preventing or delaying the project

4) Raises the maximum of the undertaking to $1,000,0000. This amount is to be adjusted annually for inflation, beginning on January 1, 2028, based on the change in the annual California Consumer Price Index for All Urban Consumers, published by the Department of Industrial Relations, for the most recent one-year period ending on December 31 preceding each adjustment, with each adjusted amount rounded to the nearest $25.

Comments

This bill is intended to apply to "priority care developments," which are projects funded in whole or in part through the Community Care Expansion program, the Behavioral Health Services Act, and the Behavioral Health Infrastructure Bond Act, including Homekey+.

California's anti-SLAPP statute 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. (Civ. Proc. Code § 425.16.) The Legislature asserted that the law was justified because "it is in the public interest to encourage continued participation in matters of public significance, and that this participation should not be chilled through abuse of the judicial process."

In 1992, Code of Civil Procedure section 425.16 was added by SB 1264 (Lockyer, Chapter 726, Statutes of 1992) to provide a "special motion to strike" for use by defendants in SLAPP suits to obtain an early 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. In passing the anti-SLAPP law, the Legislature found "that there has been a disturbing increase in lawsuits brought primarily to chill the valid exercise of the constitutional rights of freedom of speech and petition for the redress of grievances." (Code Civ. Proc. § 425.16(a).)

In 2023, the Legislature enacted SB 439 (Skinner, Chapter 779, Statutes of 2023) and created a special motion to strike that is nearly identical to the anti-SLAPP statute with regard to challenges to certain housing developments. SB 439 allows for this motion to strike to be filed in a case that challenges the approval or permitting of a "priority housing development" project, explicitly including actions brought pursuant to CEQA. The procedures and guidelines mirror those in Section 425.16. As such, the court is required to deny the motion if it determines that the plaintiff has established that there is a probability that the plaintiff will prevail on the claim. This bill applies only to developments in which 100 percent of the units, excluding manager's units, are reserved for lower income households for at least 55 years. "Lower income households" means persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. This includes very low income households and extremely low income households. (Health & Saf. Code § 50079.5.)

This bill seeks to establish a motion to strike that is nearly identical to SB 439 with regard to challenges to of a priority care development project. The biggest deviation under this bill from SB 439, is that SB 439 does not apply in an enforcement action brought in the name of the people of the State of California by the Attorney General, district attorney, or city attorney, acting as a public prosecutor. This bill would apply in such an action.

SB 393 (Glazer, Chapter 285, Statutes of 2024) amended an existing provision of law (Code of Civ. Proc. § 529.2) that provided a mechanism for a defendant in a civil action challenging a housing project which is a development project that meets or exceeds the requirements for low- or moderate-income housing to seek an order requiring the plaintiff to furnish an undertaking as security for costs and damages that may be incurred by the defendant if the bringing of the action by the plaintiff would result in preventing or delaying the project. Prior to the enactment of SB 393, the defendant had the burden of making a showing that the posting of the undertaking would not place an undue hardship on the plaintiff. SB 393 shifted the burden to the plaintiff to demonstrate that posting a bond would place an undue economic hardship on the plaintiff, arguing that the plaintiff is the one who has the information to make such a showing and therefore it was more appropriate to place that burden on the plaintiff. The liability for the plaintiff cannot exceed $500,000.

This bill seeks to enact a similar mechanism for a defendant in a civil action, including an action under CEQA, challenging a priority care development. This bill allows such a defendant to seek an order requiring the plaintiff to furnish an undertaking as security for costs and damages that may be incurred by the defendant if the bringing of the action by the plaintiff would result in preventing or delaying the project.

The bill also raises the amount of liability that the court can set for the undertaking to not exceed $1,000,0000 from the existing maximum of $500,000. The bill provides that this amount is to be adjusted annually for inflation, beginning on January 1, 2028, based on the change in the annual California Consumer Price Index for All Urban Consumers, published by the Department of Industrial Relations, for the most recent one-year period ending on December 31 preceding each adjustment, with each adjusted amount rounded to the nearest $25. Lastly, the bill provides that a “plaintiff” includes a “petitioner,” “cross-petitioner,” and “cross-plaintiff,” and “defendant” includes “respondent,” “cross-respondent,” “cross-defendant,” and “real party in interest.”

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 6/29/26)

Attorney General Rob Bonta (Source)
Mayor Todd Gloria, City of San Diego
Abundant Housing Los Angeles
California Housing Consortium
California YIMBY
Eden Housing

SPUR

OPPOSITION: (Verified 6/29/26)

None received

ARGUMENTS IN SUPPORT: The author writes:

> 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 Attorney General, Rob Bonta, source of the bill, 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. […]

ASSEMBLY FLOOR: 61-9, 8/26/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NOES: Davies, DeMaio, Dixon, Ellis, Hadwick, Johnson, Macedo, Patterson, Sanchez
NO VOTE RECORDED: Boerner, Castillo, Chen, Flora, Jeff Gonzalez, Hoover, Lackey, Ta, Tangipa

Prepared by: Amanda Mattson / JUD. / (916) 651-4113
11/6/26 14:14:59

****** END ******