

CALIFORNIA CODES  
**GOVERNMENT CODE**  
SECTION 65864-65869.5

65864. The Legislature finds and declares that:

(a) The lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.

(b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval, will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development.

(c) The lack of public facilities, including, but not limited to, streets, sewerage, transportation, drinking water, school, and utility facilities, is a serious impediment to the development of new housing. Whenever possible, applicants and local governments may include provisions in agreements whereby applicants are reimbursed over time for financing public facilities.

65865. (a) Any city, county, or city and county, may enter into a development agreement with any person having a legal or equitable interest in real property for the development of the property as provided in this article.

(b) Any city may enter into a development agreement with any

person having a legal or equitable interest in real property in unincorporated territory within that city's sphere of influence for the development of the property as provided in this article. However, the agreement shall not become operative unless annexation proceedings annexing the property to the city are completed within the period of time specified by the agreement. If the annexation is not completed within the time specified in the agreement or any extension of the agreement, the agreement is null and void.

(c) Every city, county, or city and county, shall, upon request of an applicant, by resolution or ordinance, establish procedures and requirements for the consideration of development agreements upon application by, or on behalf of, the property owner or other person having a legal or equitable interest in the property.

(d) A city, county, or city and county may recover from applicants the direct costs associated with adopting a resolution or ordinance to establish procedures and requirements for the consideration of development agreements.

(e) For any development agreement entered into on or after January 1, 2004, a city, county, or city and county shall comply with Section 66006 with respect to any fee it receives or cost it recovers pursuant to this article.

65865.1. Procedures established pursuant to Section 65865 shall include provisions requiring periodic review at least every 12 months, at which time the applicant, or successor in interest thereto, shall be required to demonstrate good faith compliance with the terms of the agreement. If, as a result of such periodic review, the local agency finds and determines, on the basis of substantial evidence, that the applicant or successor in interest thereto has not

complied in good faith with terms or conditions of the agreement,  
the local agency may terminate or modify the agreement.

65865.2. A development agreement shall specify the duration of the agreement, the permitted uses of the property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes. The development agreement may include conditions, terms, restrictions, and requirements for subsequent discretionary actions, provided that such conditions, terms, restrictions, and requirements for subsequent discretionary actions shall not prevent development of the land for the uses and to the density or intensity of development set forth in the agreement. The agreement may provide that construction shall be commenced within a specified time and that the project or any phase thereof be completed within a specified time.

The agreement may also include terms and conditions relating to applicant financing of necessary public facilities and subsequent reimbursement over time.

65865.3. (a) Except as otherwise provided in subdivisions (b) and (c), Section 65868, or Section 65869.5, notwithstanding any other law, if a newly incorporated city or newly annexed area comprises territory that was formerly unincorporated, any development agreement entered into by the county prior to the effective date of the incorporation or annexation shall remain valid for the duration of the agreement, or eight years from the effective date of the

incorporation or annexation, whichever is earlier. The holder of the development agreement and the city may agree that the development agreement shall remain valid for more than eight years, provided that the longer period shall not exceed 15 years from the effective date of the incorporation or annexation. The holder of the development agreement and the city shall have the same rights and obligations with respect to each other as if the property had remained in the unincorporated territory of the county.

(b) The city may modify or suspend the provisions of the development agreement if the city determines that the failure of the city to do so would place the residents of the territory subject to the development agreement, or the residents of the city, or both, in a condition dangerous to their health or safety, or both.

(c) Except as otherwise provided in subdivision (d), this section applies to any development agreement which meets all of the following requirements:

(1) The application for the agreement is submitted to the county prior to the date that the first signature was affixed to the petition for incorporation or annexation pursuant to Section 56704 or the adoption of the resolution pursuant to Section 56800, whichever occurs first.

(2) The county enters into the agreement with the applicant prior to the date of the election on the question of incorporation or annexation, or, in the case of an annexation without an election pursuant to Section 57075, prior to the date that the conducting authority orders the annexation.

(3) The annexation proposal is initiated by the city. If the annexation proposal is initiated by a petitioner other than the city, the development agreement is valid unless the city adopts written

findings that implementation of the development agreement would create a condition injurious to the health, safety, or welfare of city residents.

(d) This section does not apply to any territory subject to a development agreement if that territory is incorporated and the effective date of the incorporation is prior to January 1, 1987.

65865.4. Unless amended or canceled pursuant to Section 65868, or modified or suspended pursuant to Section 65869.5, and except as otherwise provided in subdivision (b) of Section 65865.3, a **development agreement** shall be enforceable by any party thereto notwithstanding any change in any applicable general or specific plan, zoning, subdivision, or building regulation adopted by the city, county, or city and county entering the **agreement**, which alters or amends the rules, regulations, or policies specified in Section 65866.

65866. Unless otherwise provided by the **development agreement**, rules, regulations, and official policies governing permitted uses of the land, governing density, and governing design, improvement, and construction standards and specifications, applicable to **development** of the property subject to a **development agreement**, shall be those rules, regulations, and official policies in force at the time of execution of the **agreement**. A **development agreement** shall not prevent a city, county, or city and county, in subsequent actions applicable to the property, from applying new rules, regulations, and policies which do not conflict with those rules, regulations, and policies applicable to the property as set forth herein, nor shall a **development agreement** prevent a city, county, or city and county from

denying or conditionally approving any subsequent **development** project application on the basis of such existing or new rules, regulations, and policies.

65867. A public hearing on an application for a **development agreement** shall be held by the planning agency and by the legislative body. Notice of intention to consider adoption of a **development agreement** shall be given as provided in Sections 65090 and 65091 in addition to any other notice required by law for other actions to be considered concurrently with the **development agreement**.

65867.5. (a) A **development agreement** is a legislative act that shall be approved by ordinance and is subject to referendum.

(b) A **development agreement** shall not be approved unless the legislative body finds that the provisions of the **agreement** are consistent with the general plan and any applicable specific plan.

(c) A **development agreement** that includes a subdivision, as defined in Section 66473.7, shall not be approved unless the **agreement** provides that any tentative map prepared for the subdivision will comply with the provisions of Section 66473.7.

65868. A **development agreement** may be amended, or canceled in whole or in part, by mutual consent of the parties to the **agreement** or their successors in interest. Notice of intention to amend or cancel any portion of the **agreement** shall be given in the manner provided by Section 65867. An amendment to an **agreement** shall be subject to the provisions of Section 65867.5.

65868.5. No later than 10 days after a city, county, or city and

county enters into a **development agreement**, the clerk of the legislative body shall record with the county recorder a copy of the **agreement**, which shall describe the land subject thereto. From and after the time of such recordation, the **agreement** shall impart such notice thereof to all persons as is afforded by the recording laws of this state. The burdens of the **agreement** shall be binding upon, and the benefits of the **agreement** shall inure to, all successors in interest to the parties to the **agreement**.

65869. A **development agreement** shall not be applicable to any **development** project located in an area for which a local coastal program is required to be prepared and certified pursuant to the requirements of Division 20 (commencing with Section 30000) of the Public Resources **Code**, unless: (1) the required local coastal program has been certified as required by such provisions prior to the date on which the **development agreement** is entered into, or (2) in the event that the required local coastal program has not been certified, the California Coastal Commission approves such **development agreement** by formal commission action.

65869.5. In the event that state or federal laws or regulations, enacted after a **development agreement** has been entered into, prevent or preclude compliance with one or more provisions of the **development agreement**, such provisions of the **agreement** shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations.