



Recognizing the Role of the Applicant as a Real Party in Interest (Land Use)

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Summary

Strategically discuss with your client the role of the applicant as a real party in interest as it relates to land use due diligence. We completed legal editing and analysis of authorities cited here as of the date listed above.

I. Legal Framework and Standards

California's land use and zoning laws are pivotal in regulating land development for sustainable growth and community welfare. The "applicant" typically refers to an entity or individual with a direct interest in property development and regulatory compliance within the state of California. This could include developers, property owners, construction companies, real estate investors, or other parties who are actively involved in seeking permits, approvals, or engaging in legal and administrative processes related to property development. At the heart of these complex regulations lies the concept of the "real party in interest" or "RPI," crucial for navigating legal and administrative procedures. This designation, mandated by Code of Civil Procedure section 367, positions the applicant as the primary entity with a direct stake in legal and administrative proceedings concerning property development and regulatory compliance.

Put simply, RPI status is important because it establishes legal standing to participate in the land use process, such as

- Filing an application (e.g., a permit application, development application, rezoning application, or variance application);
- Submitting evidence;
- Participating in hearings;
- Appealing decisions; and

- Filing litigation.

If an applicant does not qualify as an RPI, it may lack standing to fully participate.

■ Example

A business near a proposed development may be impacted economically, but that interest may not rise to the level of RPI status. Only parties with RPI status have a right to legally challenge land use decisions. (Citizens Assn. for Sensible Development of Bishop Area v. County of Inyo (1985) 172 Cal.App.3d 151.)

II. RPI Status

The status of the applicant as the RPI hinges on a meticulous review of various property-related interests. This examination spans ownership rights, contractual obligations, financial investments, and governmental relationships. Vital documents such as title reports, deeds, leases, easements, liens, and corporate agreements are essential to substantiating the applicant's legal standing.

Maintaining the integrity of the RPI designation necessitates prompt disclosure and resolution of potential conflicts of interest. Legal safeguards like disclaimers, waivers, recusals, or engagement of independent counsel are critical for mitigating bias or ethical concerns that could compromise the applicant's role in proceedings.

Precise delineation of rights, responsibilities, and liabilities linked to RPI status is crucial throughout the project life cycle. From initial government applications and entitlements to environmental reviews, transactional agreements, and litigation, such clarity ensures transparency and accountability. Changes in the applicant's RPI status mandate timely notifications to stakeholders and may require disclosures, approvals, or contractual terms to be adjusted to maintain legal coherence.

Being designated as the RPI impacts that party's litigation strategy, project financing, and stakeholder engagement. The applicant may navigate legal costs, participate in negotiations, and manage public scrutiny by proactively reaching out to the community. Understanding the RPI role enables the applicant to effectively navigate land use complexities, anticipate procedural challenges, and develop robust documentation, including environmental studies and legal analyses.