SUM-100

SUM ONS (CITACION JUDICIAL)

NOTICE TO DEFENDANT: (AVISO AL DEMANDADO):

COUNTY OF SANTA CRUZ; DOES 1 through 10

FOR COURT USE ONLY (SOLO PARA USO DE LA CORTE)

YOU ARE BEING SUED BY PLAINTIFF: (LO ESTÁ DEMANDANDO EL DEMANDAN

PAUL GOLDSTONE TRUST U.T.D. JU

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.courtinfo.ca.gov/selfhelp/espanol/), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California.

(www.courtinfo.ca.gov/selfhelp/espanol/) o poniéndose en contacto con la corte o el colegio de abogados locales.				
The name and address of the	e court is:			_
(El nombre y dirección de la	corte es):		(Número del Carb)	157674
Santa Cruz Superio	or Court		· · · · · · · · · · · · · · · · · · ·	
701 Ocean Street				
Same		-		
Santa Cruz, CA 950)60			
Main Courthouse	s. • s			
The name, address, and tele	phone number of plaintiff's attorney,	or plaintiff without an at	tornev. is:	
(⊑i nombre, la dirección y el i	número de teléfono del abogado del	demandante, o del den	nandante que no t	iene ahogado es):
momas w. casparia	an (Bar No., 50298)	" (31	0) 393-4000	(310) 394-4700
Gilchrist & Rutter	£ .	(31	.0/ 3/3 ±000	(310) 394-4700
1299 Ocean Avenue,	Suite 900	**		
Santa Monica, CA	90401	•		
		Clerk, by ST	EPHEN L. CAP	TON Deputy
(Fecha)	7 2007		12	72345 , Deputy
<u> </u>	Immono uso Desertados do Contra	(Secretario)	<u> </u>	(Adjunto)
(Para prioba de entre de els se	ummons, use Proof of Service of Suresta citatión use el formulario Proof o NOTICE TO THE PERSON SER	nmons (form POS-010)	.) /R ³ *	7 9
(Fara prueba de entrega de e	sta citation use el formulario Proof o	f Service of Summons,	(POS-019)5, ,	[AUC 2007] (1)
IDEAL)	NOTICE TO THE PERSON SER	VED: You are served	12 /3	LAUC 2007 31
[SEAL]	1 as an individual defenda	ant.		MECEIVED -
	2. as the person sued under	er the fictitious name of	(specify N BO)	Dray ITE ROBER
	,		155	MIY NE AL STVISURS
			\ <u>~</u>	MY OF SANTA CRUZ
	3. X on behalf of (specify): (County of Santa	Cruz	
		-	/c.s	. 11/3/
	under: CCP 416.10 (cc	rnoration)	CCD 442	LZOZGI SLUB
i de la companya de			COP 410	O. CO-CHHINDI)
		funct corporation)	CCP 416	3.70 (conservatee)
	└── CCP 416.40 (as	sociation or partnership) CCP 416	3.90 (authorized person)

Page 1 of 1

by personal delivery on (date):

X other (specify): CCP 416.50 (public entity)

Form Adopted for Mandatory Use Judicial Council of California CM-010 [Rev. January 1, 2007]

other parties to the action or proceeding.

Unless this is a complex case, this cover sheet will be used for statistical purposes only

• If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA CRUZ 701 Ocean Štreet Santa Cruz, CA,95060	For Court Use Only	
PLAINTIFF: PAUL GOLDSTONE TRUST UDT 6/27/03	JUL 2:7 2007	
DEFENDANT: COUNTY OF SANTA CRUZ	ALEX CALVO, CLERK BY STEPHEN CARLTON DEPUTY, SANTA CRUZ COUNTY	
CASE MANAGEMENT INFORMATION AND SETTING	CASE NO: CISCV157674	

This case is in Santa Cruz County's Case Management Program. It is the Duty of each party to be familiar with the california rules of court and the date, time and place of the first case management conference.

This notice must be served with the summons on all defendants and cross-defendants. Notice of any other pending case management conference must be served on subsequently named defendants and corss-defendants.

ATTENTION DEFENDANT: YOU HAVE 30 DAYS AFTER THE SUMMONS IS SERVED ON YOU TO FILE A RESPONSE TO THE COMPLAINT. THE DATE BELOW DOES NOT EXTEND THE TIME TO FILE A RESPONSE. SEE THE SUMMONS FOR INSTRUCTIONS FOR RESPONDING TO THE SUMMONS AND COMPLAINT.

The first Case Management Conference hearing date is:

Date: 11/26/07

Time: 8:29

Department No.:

Telephonic court appearances are provided through CourtCall to the court. To make arrangments to appear at the Case Management Conference by telephone, please call the program administrator for CourtCall at (310) 572-4670 or (888) 882-6878 at least five (5) court days prior to the hearing. DO NOT CALL THE COURT.

THE LAWYER'S PLEDGE

In order to raise the standards of civility and professionalism among counsel and between the Bench and the Bar, I hereby pledge the following:

- 1. To at all times comply with the California Rules of Professional Conduct;
- 2. To honor all commitments:
- 3. To be candid in all dealings with the court and counsel;
- 4. To uphold the integrity of our system of justice and not compromise personal integrity for the sake of a client, case or cause:
- 5. To seek to accomplish the client's legitimate goals by the most efficient and economical methods possible;
- 6. To act in a professional manner at all times, to be guided by a fundamental sense of fair play in all dealings with counsel and the court, and to be courteous and respectful to the court;
- 7. To be on time:
- 8. To be prepared for all court appearances to be familiar with all applicable court rules;
- 9. To adhere to the time deadlines set by statute, rule, or order;
- 10. To avoid visual displays of pique in response to rulings by the court,
- 11. To discourage and decline to participate in litigation or tactics that are without merit or are designed primarily to harass or drain the financial resources of the opposing party;
- 12. To avoid any communications with the judge concerning a pending case unless the opposing party or lawyer is present, or unless permitted by court rules or otherwise authorized by law;
- 13. To refrain from impugning the integrity of the judicial system, its proceedings, or its members;
- 14. To treat all court personnel with the utmost civility and professonalism;
- 15. To remember that conflicts with opposing counsel are professional and not personal vigorous advocacy is not inconsistent with professional courtesy;
- 16. To refrain from derogatory statements or discriminatory conduct on the basis of race, religion, gender, sexual orientation or other personal characteristic;
- 17. To treat adverse witnesses and litigants with fairness and due consideration;
- 18. To conduct discovery proceedings as if a judicial officer were present;
- 19. To meet and confer with opposing counsel in a genuine attempt to resolve procedural and discovery matters;
- 20. To not use discovery to harass the opposition or for any other improper purpose;
- 21. To not arbitrarily or unreasonably withhold consent to a just and reasonable request for cooperation or accommodation;
- 22. To not attribute to an opponent a position not clearly taken by that opponent;
- 23. To avoid unnecessary "confirming" letters and to be scrupulously accurate when making any written confirmation of conversations or events:
- 24. To not propose any stipulation in the presence of the trier of fact unless previously agreed to by the opponent;
- 25. To not interrupt the opponent's legal argument;
- 26. To address opposing counsel, when in court, only through the court;
- 27. To not seek sanctions against or disqualification of another lawyer to attain a tactical advantage or for any other improper purpose;
- 28. To not schedule the service of papers to deliberately inconvenience opposing counsel;
- 29. To refrain, except in extraordinary circumstances, from using the fax machine to demand immediate responses for opposing counsel.

ADR INFORMATION PACKAGE

Included in this package:

- Cover Page
- Alternative Dispute Resolution Program Notice
- Local Form SUPCV 1012
 (Stipulation and Order to Attend Judicial Mediation or Private Arbitration)

ATTENTION PLAINTIFFS/CROSS-COMPLAINANTS

PLAINTIFFS SHALL SERVE A COPY OF THIS ADR
INFORMATION PACKAGE ON EACH DEFENDANT
ALONG WITH THE COMPLAINT. CROSS-COMPLAINANTS
SHALL SERVE A COPY OF THIS ADR INFORMATION
PACKAGE ON ANY NEW PARTIES TO THE ACTION
ALONG WITH THE CROSS-COMPLAINT
(CRC 3.221)

ALTERNATIVE DISPUTE RESOLUTION PROGRAM NOTICE SANTA CRUZ SUPERIOR COURT LOCAL RULE 7.1.02(a)

TO: ALL CIVIL LITIGANTS

RE: JUDICIAL MEDIATION PROGRAM OF SANTA CRUZ OR OPTION FOR

PRIVATE ARBITRATION

Alternate Dispute Resolution (ADR) is a process, other than formal litigation, in which a neutral person assists the parties in resolving their dispute. Santa Cruz County's ADR process is Judicial Mediation. If the parties agree to Mediation, it is the policy of this Court to assign appropriate cases to mediation without making a determination of the value of the case.

Appropriate cases will be assigned to Judicial Mediation from the Case Management Conference Calendar. The parties may stipulate to Mediation prior to the Case Management Conference by written stipulation on local form SUPCV 1012. Case Management Conference Statements and requests for continuances should be submitted at least ten days in advance of the hearing.

FOR MORE INFORMATION REGARDING SANTA CRUZ COUNTY'S MEDIATION PROGRAM, SEE LOCAL RULE 7.1 OR CONTACT THE CIVIL CALENDAR DEPARTMENT (SANTA CRUZ) AT (831) 454-2303 OR THE WATSONVILLE BRANCH AT (831) 763-8069.

You may also stipulate to use a private arbitration or mediation service with the same local form 1012. This local form is required to ensure that the case is tracked properly by Court staff.

ATTORNEY OR PARTY WITHOUT ATTORNEY (NAME AND	DADDRESS): TELEPHONE NO.:	For Court Use Only
ATTORNEY FOR (NAME):		
701 Ocean Street, Room 110 1430	OUNTY OF SANTA CRUZ sonville Branch O Freedom Boulevard sonville, CA 95076	
Plaintiff/Petitioner:		
Defendant/Respondent:		
STIPULATION AND ORDER TO ATTEN OR PRIVATE ARBITI Must be filed 10 days before Case M	RATION	CASE NO.
FOR GOOD CAUSE as stated in the attached su CASE MANAGEMENT CONFERENCE CURE CHECK ONLY ONE BOX:	pporting declaration, RENTLY SET FOR: (DATE)	
I. () The parties stipulate to court ordered me	ediation.	•
 The parties stipulate to private mediation days of the current CMC date stated about to resolve the case. 	n or arbitration, to be arranged by the ove. The parties agree that such pro	e parties and completed within 120 ocess shall be a good faith attempt
SIGNATURES OF COUNSEL:		
A STATE		
ATE:		
ATE:	ATTORNEY FOR:	
ADDITIONAL SIGNATURES IN ATTACHMENT "A		
	ORDER	
BASED ON THE STIPULATION OF THE PART AND FINDING GOOD CAUSE, THE APPLICAT	IES, THE SUPPORTING DECLARATION IS HEREBY GRANTED	ATION,
SET FOR JUDICIAL MEDIATION ON:		a.m./p:m.
VACATE CMC CURRENTLY SET FOR:		a.m./p.m.
Date:	JUDGE OF THE SUPERIO	R COURT
SUPCV-1012 (Rev. 1/07)		Page 3 of 3
(Local Rule 7.1.0

STIPULATION AND ORDER TO ATTEND JUDICIAL MEDIATION OR PRIVATE ARBITRATION

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RICHARD H. CLOSE (Bar No. 50298) THOMAS W. CASPARIAN (Bar No. 169763 YEN N. NGUYEN (Bar No. 233880) GILCHRIST & RUTTER Professional Corporation Wilshire Palisades Building 1299 Ocean Avenue, Suite 900 Santa Monica, California 90401, 1000
Santa Monica, California 90401-1000
Telephone: (310) 393-4000
Facsimile: (310) 394-4700



ALEX CALVO, CLERK BY STEPHEN CARLTON DEPUTY, SANTA CRUZ COUNTY

Attorneys for Plaintiff Paul Goldstone Trust U.T.D. June 27, 2003

SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SANTA CRUZ

PAUL GOLDSTONE TRUST U.T.D. JUNE 27, 2003,

Plaintiff,

VS.

COUNTY OF SANTA CRUZ; DOES 1 through 10,

Defendants.

CASE NO. CV 157674

VERIFIED COMPLAINT FOR DECLARATORY RELIEF, INJUNCTIVE RELIEF AND INVERSE CONDEMNATION

Plaintiff Paul Goldstone Trust U.T.D. June 27, 2003 ("Goldstone Trust" or "Plaintiff") by this verified complaint ("Complaint") hereby alleges as follows:

THE PARTIES

- 1. Plaintiff Goldstone Trust is a trust duly authorized and existing under and by virtue of the laws of the State of California
- 2. Goldstone Trust is informed and believes, and thereon alleges, that defendant County of Santa Cruz ("County" or "Defendant") is a political subdivision within the State of California.
- 3. The true names and capacities, whether individual, corporate, associate, governmental or otherwise, of defendants Does 1-10, inclusive, are unknown to Plaintiff at this time and Plaintiff therefore sues said defendants by such fictitious names. Leave of Court will be

[ynn:ynn/146933 2.DOC/071607/4653,001]

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COMPLAINT

LAW OFFICES	GILCHRIST & RUTTER	PROFESSIONAL CORPORATION	1299 OCEAN AVENUE, SUITE 900	SANTA MONICA, CALIFORNIA 90401-1000	TEL (310) 393-4000 · FAX (310) 394-4700
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requested to amend this Complaint to show their true names and capacities when the same have been ascertained. County and Does 1-50, inclusive, are sometimes hereinafter collectively referred to as "Defendants." Plaintiff is further informed and believes, and thereon alleges that Defendants, and each of them, in doing the things hereinafter alleged were acting pursuant to the course and scope of their authority as agents, servants, and employees of one another and with the permission and consent of their co-defendants.

4. Plaintiff is informed and believes, and based thereon alleges, that Defendants and each of them conspired and acted in concert with each other Defendants with respect to the events and happenings referred to herein which proximately caused the damages hereinafter alleged.

VENUE AND JURISDICTION

- 5. This Court has personal jurisdiction over Defendants as they are, and at all relevant times hereinafter mentioned were, political subdivisions, cities, political and administrative bodies, domiciliaries, and/or residents of the State of California.
- 6. Venue is properly placed in the County of Santa Cruz, State of California for the following reasons, among others: (a) the wrongful conduct, acts and omissions of Defendants hereinafter alleged occurred and took place in the County of Santa Cruz, State of California; (b) the effects of such wrongful conduct and the damages resulting therefrom to Plaintiff have occurred in the County of Santa Cruz, State of California; (c) the Defendants, their employees and representatives and most of the witnesses to the conduct alleged herein reside in or around the County of Santa Cruz or have their principal places of business and conduct their businesses within the County of Santa Cruz, State of California.
- 7. On July 17, 2007, Plaintiff filed a claim with County, pursuant to Government Code section 810 *et seq.*, otherwise known as the California Tort Claims Act.

GENERAL FACTUAL ALLEGATIONS

8. Goldstone Trust is the owner of Alimur Mobile Home Park (the "Park"), a mobilehome park located in an unincorporated section of Santa Cruz County. Plaintiff was and is seeking to convert the Park to resident ownership pursuant to California Government Code section 66427.5. Such a conversion would mean that the residents of the Park would own their own real

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estate units, as well as an undivided interest in the common areas, as opposed to a rental-only facility owned by Plaintiff. When a mobilehome park is converted to condominium-style ownership, each lot in the mobilehome park becomes separately transferable pursuant to State law and subject to applicable covenants, conditions, and restrictions. State law provides for its own form of rent control applicable in a resident-owned park and preempts any otherwise applicable local rent control.

- California has adopted a comprehensive statutory scheme governing conversion of 9. mobilehome parks from rental facilities to resident-owned, or condominium-style, parks. The agency principally responsible for administering that statutory scheme is the California Department of Real Estate. Under California law, the authority of local bodies such as County is limited to consideration of an application for a tentative tract map pursuant to Government Code section 66427.5 (within the Subdivision Map Act, Government Code section 66410 et seq.). Such a map has the effect of subdividing the single parcel into separately transferable real estate units, as well as interest in undivided common areas. No construction or physical development at the mobilehome park is contemplated or necessary. Rather, the subdivision is on paper only.
- A local agency's, such as County's, consideration of such an application is 10. governed by Government Code section 66427.5, which provides specific and detailed requirements for conversions to resident ownership and limits the local government's review of the application to the question of whether the requirements of Government Code section 66427.5 have been satisfied. After the local government approves the map subdivision, the California Department of Real Estate regulates the marketing and sale of the individual units in the mobilehome park.
- Pursuant to this statutory framework, Plaintiff has submitted an application for a 11. tentative tract map to subdivide the Park for condominium purposes ("Application"). The Application does not contemplate any new building or development; it merely subdivides the property lines to allow for resident ownership of lots in the Park.
- In or around March 2007, counsel for Plaintiff became aware that County was 12. planning a vote regarding a proposed interim urgency ordinance, allegedly pursuant to

- 13. In a letter dated March 5, 2007, counsel for Plaintiff advised County that the proposed moratorium was illegal in light of controlling state statues and appellate court opinions. The March 5, 2007 letter advised County that since (i) it was preempted from legislating in the area of mobilehome park conversions to resident ownership, (ii) the conversion of a mobile home park from a leasehold to resident ownership does not constitute a change of use allowing for the imposition of an interim ordinance under Government Code section 65858, and (iii) the proposed moratorium was not supported by adequate legislative findings, as required under Government Code section 65858, the proposed ordinance was therefore an improper use of County's authority to pass interim urgency measures.
- 14. Nevertheless, during a County Board of Supervisors hearing on March 6, 2007, County, acting through its Board of Supervisors, enacted Ordinance No. 4853 imposing a temporary forty-five (45) day moratorium on the conversion of mobilehome parks to resident ownership in the County of Santa Cruz ("Original Moratorium"). A true and correct copy of the Ordinance No. 4853 is attached hereto as Exhibit "A."
- other things, extending the Original Moratorium. Representatives of Goldstone Trust were present at the April 17, 2007 hearing and attempted to advise County that the Original Moratorium, and its extension, was violative of the law. However, County disregarded Plaintiff's objections and adopted Ordinance No. 4872, extending the Original Moratorium for a period of ten (10) months and fifteen (15) days ("Extended Moratorium," together with Original Moratorium, "Moratorium"). Specifically Section II of Ordinance No. 4872 states, "[t]he purpose of this ordinance is to prohibit the conversion of mobilehome parks to resident ownership within the unincorporated area of the County of Santa Cruz pending enactment of permanent regulations affecting such conversions." A true and correct copy of Ordinance No. 4872 is attached hereto as Exhibit "B."

16. During the April 17, 2007 hearing, members of the Board of Supervisors made clear their desire to stop mobilehome park conversions to resident ownership, despite clear State statutory authority enabling and encouraging owner-initiated conversions. It is evident both from the tenor of the April 17, 2007 hearing and the alleged "findings" in Ordinance No. 4872 that County, in addition to improperly including mobilehomes in its affordable housing calculus, has concluded that affordable rental opportunities allegedly provided by mobilehome parks as rental-only facilities should be promoted over affordable homeownership opportunities available after mobilehome park conversions to resident ownership, despite State statutory determinations otherwise.

- 17. Plaintiff is informed and believes and thereupon alleges that upon the expiration of the Moratorium, County may attempt to further extend the Moratorium for a period of one (1) year pursuant to Government Code section 65858(a).
- 18. As a result of County's illegal acts, Plaintiff has been damaged for a sum in excess of \$ 15,582,000, which sum represents, among other things, the loss in the fair market value of Plaintiff's mobilehome park and loss of income caused by its inability to convert its Park to resident ownership.
- 19. In order to expedite resolution on the validity of the Moratorium and pursuant to the Supreme Court's decision in *Kavanau v. Santa Monica Rent Control Board*, Plaintiff has also filed a separate Verified Petition for Writ of Mandate ("Petition") concurrently with this Complaint seeking a writ of mandating directing Defendants to vacate Ordinance No. 4872 and resume approval of subdivision applications for conversions of mobilehome parks to resident ownership within the unincorporated area of the County of Santa Cruz. 16 Cal. 4th 761, 779 (1997) ("[I]f a property owner brings a timely action to set aside or void a regulation, he may *but need not* join a claim for damages. Instead, he may bring a damages claim separately after successfully challenging the regulation.").

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FIRST CAUSE OF ACTION

(For Declaratory Relief Against County and Does 1 – 10)

- 20. Plaintiff re-alleges and incorporates herein by this reference Paragraphs 1 through 19, inclusive, as if set forth in full herein.
- 21. An actual controversy has arisen and now exists between Plaintiff and Defendants, and each of them, regarding their respective rights, duties, and obligations under Government Code sections 65858 and 66427.5, California law, and the Moratorium in that Plaintiff contends Defendants acted illegally in enacting the Moratorium for the following reasons: (i) even if County did have authority to legislate mobilehome park conversions, which it did not, Government Code section 65858 does not allow for the imposition of an interim ordinance to prohibit a current use; (ii) irrespective, Defendants did not comply with the mandatory prerequisites set forth in Government Code section 65858(c); and, (iii) Defendants deliberately ignored the fact that local authority concerning mobilehome park conversions to resident ownership is limited to confirming that applications for conversion comply with the requirements contained in Government Code section 66427.5, whereas Defendants dispute these contentions.
- 22. Plaintiff desires a judicial determination of the respective rights and duties of it and of Defendants with respect to Government Code sections 65858 and 66427.5, California law, and the Moratorium. In particular, Plaintiff desires a declaration that: (i) compliance with Government Code sections 65858 and 66427.5 and California law is mandatory; (ii) even if County did have authority to legislate mobilehome park conversions, which it did not, Government Code section 65858 does not allow for the imposition of an interim ordinance to prohibit a current use; (iii) irrespective, in enacting the Moratorium, Plaintiff did not comply with the mandatory prerequisites set forth in Section 65858(c) of the Government Code; (iv) in enacting the Moratorium, Defendants improperly attempted to legislate in an area exclusively subject to State control; and, (v) said failure to comply with Government Code sections 65858 and 66427.5 and California law thereby renders the Moratorium invalid;

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Such a declaration is necessary and appropriate at this time in order that Plaintiff 23. may ascertain its rights and duties with respect to Government Code sections 65858 and 66427.5, California law, and the Moratorium.

SECOND CAUSE OF ACTION

(For a Preliminary Injunction and a Permanent Injunction Against County and Does 1-10)

- Plaintiff re-alleges and incorporates herein by this reference Paragraphs 1 through 24. 23, inclusive, as if set forth in full herein.
- Plaintiff seeks a preliminary and permanent injunction to enjoin Defendants from 25. enforcing the Moratorium.
- Plaintiff has demanded that Defendants stop their wrongful conduct described 26. above and to vacate Ordinance No. 4872. Defendants, and each of them, have refused to comply with Plaintiff's demands and have continued to uphold and enforce the Moratorium, notwithstanding Plaintiff's request that County cease enforcing the Moratorium and immediately vacate the same.
- Unless and until enjoined and restrained by this Court, Defendants' conduct has 27. caused and will continue to cause Plaintiff to suffer grave and irreparable injury. Plaintiff's lawful use of its property has been unlawfully stymied by the Moratorium. Among other things, Plaintiff is unable to convert its Park to residential ownership, thereby facing loss in the fair market value of its Park and loss of income. Plaintiff's injury is continuous and ongoing.
- Plaintiff is likely to prevail on the merits of this action as Defendants clearly acted 28. without legal authority in enacting the Moratorium in that: (i) even if County did have authority to legislate mobilehome park conversions, which it did not, Government Code section 65858 does not allow for the imposition of an interim ordinance to prohibit a current use; (ii) irrespective, Defendants did not comply with the mandatory prerequisites set forth in Government Code section 65858(c); and, (iii) Defendants deliberately ignored the fact that local authority concerning mobilehome park conversions to resident ownership is limited to confirming that applications for conversion comply with the requirements contained in Government Code section 66427.5.

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Plaintiff has no plain, speedy, or adequate remedy at law, and injunctive relief is 29. authorized by California Code of Civil Procedure section 526.

THIRD CAUSE OF ACTION

(For Inverse Condemnation Against County and Does 1 - 10)

- Plaintiff re-alleges and incorporates by reference each and all of the allegations 30. contained in paragraph numbers 1 through 29, as if set out in full.
- Plaintiff has a legal right to convert its mobilehome park to resident ownership. 31. County's adoption of the Moratorium amounts to an unconstitutional taking and fails substantially to advance legitimate government interests as required by the Takings Clause of the Fifth Amendment to the United States Constitution and Article I, Section 19 of the California Constitution. By adopting the Moratorium, County exceeded its authority and jurisdiction and interfered with the statutory and regulatory process as established by the Legislature. The Moratorium frustrates uniform standards designed to regulate mobilehome parks.
- The Moratorium works an unconstitutional taking of Plaintiff's private property for 32. public use because it does not advance any legitimate interest of County and is an illegal exaction imposed on Plaintiff. Not only did County not observe the mandatory prerequisites set forth in Section 65858(c) of the Government Code in enacting the Moratorium, therefore rendering the Moratorium void, but State law prohibits County from enacting the Moratorium altogether. Plaintiff is informed and believes, and based on such information and belief alleges, that Defendants enacted the Moratorium knowing that it had no power to do so. The Moratorium is clearly illegal in light of appellate court opinion and California law and is so unreasonable from a legal standpoint that it was clearly intended solely for the purpose of delay and obstruction.
- Plaintiff is further informed and believes, and based on such information and belief 33. alleges, that County enacted the Moratorium knowing that they did not advance any legitimate governmental interests.
- 34. Even assuming County had the power to enact the Moratorium, Plaintiff is informed and believes, and based on such information and belief alleges, that there is not an essential nexus between the Moratorium, and any authority County may have to adopt the

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Moratorium. Moreover, Plaintiff is informed and believes, and based on such information and belief alleges, that the Moratorium is not roughly proportional to the effects of the conversion of Plaintiff's mobilehome Park. Rather, the Moratorium prevents Plaintiff from exercising a legitimate right to convert its Park to resident ownership and forces Plaintiff, a single property owner, to bear a disproportionate share of the cost of allegedly protecting the public safety, health and welfare.

35. Plaintiff has suffered and continues to suffer damages, in an amount to be proven at trial, as a result of County's unconstitutional taking of its private property. Plaintiff's lawful use of its property has been unlawfully stymied by the imposition of the illegal Moratorium, resulting in damages for a temporary taking in an amount to be proven at trial but believed to be not less than \$ 15,582,000.

WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as follows:

- 1. For a judicial declaration of the respective rights and duties of Plaintiff and of Defendants with respect to Government Code sections 65858 and 66427.5, California law, and the Moratorium. In particular, Plaintiff desires a declaration that: (i) compliance with Government Code sections 65858 and 66427.5 and California law is mandatory; (ii) even if County did have authority to legislate mobilehome park conversions, which it did not, Government Code section 65858 does not allow for the imposition of an interim ordinance to prohibit a current use; (iii) in enacting the Moratorium, Defendants did not comply with the mandatory prerequisites set forth in Section 65858(c) of the Government Code; (iv) in enacting the Moratorium, Defendants improperly attempted to legislate in an area exclusively subject to State control; and (vi) said failure to comply with Government Code sections 65858 and 66427.5 and California law thereby render the Moratorium invalid;
- 2. For a preliminary injunction and permanent injunction prohibiting Defendants from enforcing the Moratorium;

- 3. For recovery of damages against Plaintiff in an amount to be proven at trial, but not less than \$15,582,000;
- 4. For an award of costs of suit, expenses, and reasonable attorneys' fees against the County; and
 - 5. For such other further relief as the Court deems just and proper.

DATED: July <u>16</u>, 2007

GILCHRIST & RUTTER

Professional Corporation

Thomas W. Casparian

Attorneys for Paul Goldstone Trust U.T.D.

June 27, 2003

I, Paul Goldstone, am a Trustee of the Paul Goldstone Trust U.T.D. June 27, 2003 and am authorized to make this verification on its behalf. I have personally viewed and am familiar with the records, files, and proceedings described herein. I know the facts set forth in the Verified Complaint to be true. I know the exhibits attached to the Verified Complaint to be true and correct copies of the documents described.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 25, 2007, at Mento Park

, California

Paul Goldstone

ynn:ynn/IDOCS2_146933_2:DOC/0716<u>07/4653.0011</u>

COMPLAINT

ORDINANCE NO. 4853

URGENCY ORDINANCE ADOPTING AND IMPOSING A TEMPORARY MORATORIUM ON THE CONVERSION OF MOBILEHOME PARKS TO RESIDENT OWNERSHIP

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

This ordinance is adopted pursuant to §65858 and §25123 (d) of the California Government Code. The purpose of this ordinance is to prohibit the conversion of mobilehome parks to resident ownership within the unincorporated area of the County of Santa Cruz pending enactment of permanent regulations affecting such conversions. The Santa Cruz County Board of Supervisors finds and determines as follows:

- 1. Mobilehome parks provide a significant segment of the affordable housing stock available for Santa Cruz County residents. At present there are 49 mobilehome parks subject to rent regulation within Santa Cruz County. These 49 parks contain some 2,314 mobilehome spaces subject to the rent adjustment provisions of Chapter 13.32.
- 2. In most instances, mobilehome residents own or are purchasing their mobilehomes and pay monthly rent for the land beneath. Annual rent increases for mobilehome spaces that have a lease of 12 months or less are regulated under Chapter 13.32 of the Santa Cruz County Code.
- 3. The purposes of the County's Mobilehome Rent Adjustment Ordinance are set forth in Santa County Code § 13.32.010, which is incorporated herein by reference.
- 4. The County's Housing Element of its General Plan seeks to preserve affordable housing by conserving the County's existing stock of mobilehomes through enforcement of County ordinances that protect mobilehome parks from conversion and by providing rent stabilization protection.
- 5. State law permits a mobilehome park to be subdivided into separate lots, such that residents may own not only the mobilehome itself, but also the space beneath it. These subdivisions are known as "the conversions of a mobilehome park to resident ownership." Upon such conversion to resident ownership, local rent control provisions are, by state law, no longer applicable. The County has been notified by representatives of one mobilehome park owner that the owner intends to

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seek conversion of two parks to resident ownership.

- 6. When initiated by residents of a mobilehome park, the conversion of the park to resident ownership may provide the residents with the security and advantages of full homeownership. Such resident-initiated conversions, however, can be challenging in Santa Cruz County, where the land underlying mobilehome parks is often valued in the millions of dollars, far beyond the financial reach of most park residents. The State program offering financial assistance to mobilehome park residents in purchasing their park or individual low-income residents in purchasing their space (Mobilehome Park Resident Ownership Program) has limited annual funding to meet statewide needs.
- 7. The economic displacement of nonpurchasing residents resulting from the conversion of a mobilehome park initiated by the park owner is subject to Government Code 566427.5. State courts have previously held that local rent controls are displaced upon the sale of a single lot within a mobilehome park. Local experiences indicate that when local rent control is removed, space rents and the sales values of mobilehomes are destabilized. Although state law provides some protection for certain mobilehome park residents, the protections may be inadequate for residents who do not qualify as a lower income household. Furthermore, the rent adjustment provisions applied pursuant to subdivision (f) of Government Code \$66427.5 do not appear to extend to new tenants.
- 8. While Government Code 566427.5 establishes certain parameters for the processing of an application for conversion of a mobilehome park to resident ownership, it appears to permit some level of local regulation which may include, but need not be limited to: specifying the procedures for accepting and processing applications; regulating the form, content and use of the survey required by Government Code 566427.5; establishing standards to ensure that a conversion to resident ownership is "bona fide" in accordance with case law and Section 2 of Chapter 1142 of the California Statutes of 2002; establishing local incentives for voluntary protection of housing affordable to lower income households within mobilehome parks; or such other regulations as may essential to avoid the current and immediate loss of a significant portion of the County's vital affordable housing stock.
- 9. It is in the interest of the County of Santa Cruz, of owners and residents of mobilehome parks, and of the community as a whole, that the Board of Supervisors consider regulations to promote the lawful purposes of preserving affordable housing within mobilehome parks, while providing opportunities for resident ownership wherever feasible and appropriate. The Board of Supervisors finds that the adoption of the temporary moratorium is necessary to provide staff sufficient time to study the issues and make recommendations on whether and how to regulate mobilehome park conversions consistent with the provisions of Government Code \$66427.5.

10. If a temporary moratorium is not imposed, it would be destructive of any proposed future requirements and regulations if, during the period they are being studied and considered for adoption, parties seeking to avoid their operation and effect are permitted to convert existing mobilehome parks to resident ownership in a manner that might defeat in whole, or in part, the objectives of such requirements and regulations. As a result, it is necessary to establish a moratorium and prohibition on the conversion of mobilehome parks to resident ownership within the unincorporated area of the County of Santa Cruz pending the completion of the County's review of the impacts of park conversions and the enactment of local regulations consistent with the provisions of Government Code \$66427.5.

SECTION II

During the period this ordinance remains in effect, no permit or approval of any entitlement application shall be granted allowing the conversion of a mobilehome park to resident ownership within the unincorporated area of the County of Santa Cruz.

SECTION III

Based on the findings and conditions set forth in Section I of this ordinance, the Board of Supervisors determines and declares that the conversion of mobilehome parks to resident ownership without local regulation consistent with the provisions of Government Code \$66427.5 constitutes a current and immediate threat to the public health, safety, and welfare; and that this ordinance is necessary as an urgency measure for the immediate preservation of the public peace, health, or safety.

SECTION IV

For the purposes of this ordinance, "mobilehome park" shall mean a mobilehome park as defined in section 13.32.020 of the Santa Cruz County Code. The phrase "conversion of a mobilehome park to resident ownership" shall mean a subdivision of a mobilehome park pursuant to Government Code §66427.5.

SECTION V

During the period this ordinance remains in effect, the provisions of this ordinance shall govern. If there is any conflict between the provisions of this ordinance and any provision of the Santa Cruz County Code, or any County ordinance, resolution, or policy, the provisions of this ordinance shall control.

SECTION VI

Environmental Determination. This ordinance is exempt from the California

Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines § 15061(b)(3) and § 15262 in that it can be seen with certainty that there is no possibility that this ordinance or its implementation would have a significant effect on the environment. The Planning Director is directed to file a notice of exemption in accordance with CEQA and the State CEQA Guidelines.

SECTION VII

Severability. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

SECTION VIII

Effective Date. This ordinance is an ordinance for the immediate preservation of the public health, safety and welfare and is hereby declared to be in full force and effect immediately upon its passage, and shall continue in full force and effect for a period of 45 days from its date of adoption unless the terms and time period of this ordinance are extended by the Board of Supervisors in accordance with Government Code \$68585.

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•	SED AND ADOPTE th day Ofarch	by the Board of Supervisors of the County of Sant ,2007, by the following vote:	a ·
AYES: NOES: ABSENT:	SUPERVISORS SUPERVISORS SUPERVISORS	Pirie, Coonerty, Campos, Stone and Beautz None	
ABSTAIN:	SUPERVISORS	None	
	,	JANET K. BEAUTZ	_
		Chair, Board of Supervisors	
Attest:		I HERESY CERTIFY THAT THE FORE	
GAIL T.	BORKOWSKI	IS A CORRECT COPY OF THE ORIG: OFFICE ATTEST MY HAND AND SEA OF	L THS 6 # DAY 2007
Clerk of the	Board	SUSAN A. MAURIÉLÍÓ, COUNTY ADM AND EX-OFFICIO CLERK OF THE BOAL OF THE COUNTY OF SANTA CRUZ, (RD OF SUPERVISORS
Approved as to form:		BY Sharon Afitchel	DEPUTY
TAMVIA	VMATCO		

ORDINANCE NO. 4872

URGENCY ORDINANCE EXTENDING A TEMPORARY MORATORIUM ON THE CONVERSION OF MOBILEHOME PARKS TO RESIDENT OWNERSHIP

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

On March 6,2007, the Board of Supervisors of Santa Cruz County adopted Ordinance No. 4853, imposing a temporary moratorium of forty-five (45) days on the conversion of mobilehome parks to resident ownership pursuant to authority under §65858 and § 25123 (d) of the California Government Code. If adopted, this ordinance shall extend the temporary moratorium for an additional period of ten months and 15 days from its date of adoption.

SECTION II

This ordinance is adopted pursuant to \$65858 and \$25123 (d) of the California Government Code. The purpose of this ordinance is to prohibit the conversion of mobilehome parks to resident ownership within the unincorporated area of the County of Santa Cruz pending enactment of permanent regulations affecting such conversions. The Santa Cruz County Board of Supervisors finds and determines as follows:

- 1. Mobilehome parks provide a significant segment of the affordable housing stock available for Santa Cruz County residents. At present there are 49 mobilehome parks subject to rent regulation within Santa Cruz County. These 49 parks contain some 2,314 mobilehome spaces subject to the rent adjustment provisions of Chapter 13.32.
- 2. In most instances, mobilehome residents own or are purchasing their mobilehomes and pay monthly rent for the land beneath. Annual rent increases for mobilehome spaces that have a lease of 12 months or less are regulated under Chapter 13.32 of the Santa Cruz County Code.
- 3. The purposes of the County's Mobilehome Rent Adjustment Ordinance are set forth in Santa County Code §13.32.010, which is incorporated herein by reference.
- 4. The County's Housing Element of its General Plan seeks to preserve affordable housing by conserving the County's existing stock of mobilehomes through enforcement of County ordinances that protect mobilehome parks from conversion

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and by providing rent stabilization protection.

- 5. State law permits a mobilehome park to be subdivided into separate lots, such that residents may own not only the mobilehome itself, but also the space beneath it. These subdivisions are known as "the conversions of a mobilehome park to resident ownership." Upon such conversion to resident ownership, local rent control provisions are, by state law, no longer applicable. The County has been notified by representatives of one mobilehome park owner that the owner intends to seek conversion of two parks to resident ownership.
- 6. When initiated by residents of a mobilehome park, the conversion of the park to resident ownership may provide the residents with the security and advantages of full homeownership. Such resident-initiated conversions, however, can be challenging in Santa Cruz County, where the land underlying mobilehome parks is often valued in the millions of dollars, far beyond the financial reach of most park residents. The State program offering financial assistance to mobilehome park residents in purchasing their park or individual low-income residents in purchasing their space (Mobilehome Park Resident Ownership Program) has limited annual funding to meet statewide needs.
- 7. The economic displacement of nonpurchasing residents resulting from the conversion of a mobilehome park initiated by the park owner is subject to Government Code \$66427.5. State courts have previously held that local rent controls are displaced upon the sale of a single lot within a mobilehome park. Local experiences indicate that when local rent control is removed, space rents and the sales values of mobilehomes are destabilized. Although state law provides some protection for certain mobilehome park residents, the protections may be inadequate for residents who do not qualify as a lower income household. Furthermore, the rent adjustment provisions applied pursuant to subdivision (f) of Government Code \$66427.5 do not appear to extend to new tenants.
- 8. While Government Code \$66427.5 establishes certain parameters for the processing of an application for conversion of a mobilehome park to resident ownership, it appears to permit some level of local regulation which may include, but need not be limited to: specifying the procedures for accepting and processing applications; regulating the form, content and use of the survey required by Government Code \$66427.5; establishing standards to ensure that a conversion to resident ownership is "bona fide" in accordance with case law and Section 2 of Chapter 1142 of the California Statutes of 2002; establishing local incentives for voluntary protection of housing affordable to lower income households within mobilehome parks; or such other regulations as may essential to avoid the current and immediate loss of a significant portion of the County's vital affordable housing stock.

- 9. It is in the interest of the County of Santa Cruz, of owners and residents of mobilehome parks, and of the community as a whole, that the Board of Supervisors consider regulations to promote the lawful purposes of preserving affordable housing within mobilehome parks, while providing opportunities for resident ownership wherever feasible and appropriate. The Board of Supervisors finds that the adoption of the temporary moratorium is necessary to provide staff sufficient time to study the issues and make recommendations on whether and how to regulate mobilehome park conversions consistent with the provisions of Government Code \$66427.5.
- 10. If a temporary moratorium is not imposed, it would be destructive of any proposed future requirements and regulations if, during the period they are being studied and considered for adoption, parties seeking to avoid their operation and effect are permitted to convert existing mobilehome parks to resident ownership in a manner that might defeat in whole, or in **part**, the objectives of such requirements and regulations. **As** a result, it is necessary to establish a moratorium and prohibition on the conversion of mobilehome parks to resident ownership within the unincorporated area of the County of Santa Cruz pending the completion of the County's review of the impacts of park conversions and the enactment of local regulations consistent with the provisions of Government Code 566427.5.

SECTION III

During the period this ordinance remains in effect, no permit or approval of any entitlement application shall be granted allowing the conversion of a mobilehome park to resident ownership within the unincorporated area of the County of Santa Cruz.

SECTION IV

Based on the findings and conditions set forth in Section I of this ordinance, the Board of Supervisors determines and declares that the conversion of mobilehome parks to resident ownership without local regulation consistent with the provisions of Government Code 566427.5 constitutes a current and immediate threat to the public health, safety, and welfare; and that this ordinance is necessary as an urgency measure for the immediate preservation of the public peace, health, or safety.

SECTION V

For the purposes of this ordinance, "mobilehome park" shall mean a mobilehome park as defined in section 13.32.020 of the Santa Cruz County Code. The phrase "conversion of a mobilehome park to resident ownership" shall mean a subdivision of a mobilehome park pursuant to Government Code §66427.5.



SECTION VI

During the period this ordinance remains in effect, the provisions of this ordinance shall govern. If there is any conflict between the provisions of this ordinance and any provision of the Santa Cruz County Code, or any County ordinance, resolution, or policy, the provisions of this ordinance shall control.

SECTION VII

Environmental Determination. This ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines § 15061(b)(3) and § 15262 in that it can be seen with certainty that there is no possibility that this ordinance or its implementation would have a significant effect on the environment. The Planning Director is directed to file a notice of exemption in accordance with CEQA and the State CEQA Guidelines.

SECTION VIII

Severability. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

SECTION IX

Effective Date. This ordinance is an ordinance for the immediate preservation of the public health, safety and welfare and is hereby declared to be in fill force and effect immediately upon its passage, and shall continue in fill force and effect for a period of ten months and 15 days from its date of adoption unless the terms and time period of this ordinance are extended by the Board of Supervisors in accordance with Government Code §68585.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz this 17th day of April, 2007, by the following vote:

AYES:

SUPERVISORS

Coonerty, Stone, Pirie, Campos and Beautz

NOES:

SUPERVISORS

S None

ABSENT:

SUPERVISORS

None

	JANET K. BEAUTZ		
	Chair, Board of Supervisors		
Attest:			
GAIL T. BORKOWSKI	I HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THE		
Clerk of the Board	OFFICE ATTEST MY HAND AND SEAL THIS		
Approved as to forme	SUSAN A. MAURIÈLLO, COUNTY ADMINISTRATIVE OFFICEI AND EX-OFFICIO CLERK OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ, CALIFORNIA.		
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ABSTAIN: SUPERVISORS None