1 E D Clerk of the Superior Court 2 OCT 16 2014 3 By: P. ASHWORTH, Deputy 4 5 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 FOR THE COUNTY OF SAN DIEGO 9 10 DE ANZA COVE HOMEOWNERS CASE NO. GIC 821191 ASSOCIATION, INC., et al., 11 **CLASS ACTION** 12 Plaintiffs, Dept: C-66 Judge: Hon. Joel M. Pressman 13 VS. AMENDED JUDGMENT 14 CITY OF SAN DIEGO, et al, 15 Defendants. Complaint Filed: November 18, 2003 Trial Date: October 9, 2007 16 17 18 Plaintiff De Anza Cove Homeowners Association, Inc. ("Plaintiff") filed its Complaint 19 against Defendant City of San Diego ("Defendant" or "the City") on November 18, 2003 20 (hereinafter the "Action") related to the mobilehome park located in De Anza Cove (formerly 21 known as De Anza Harbor Resort), located at 2727 De Anza Road, San Diego, California, 92101 22 (the "Park"). 23 On August 26, 2005, Plaintiff filed its Third Amended Complaint ("TAC"), alleging 24 causes of action for: (1) violation of the Mobilehome Residency Law I (park closure & 25 relocation); (2) violation of the Mello Act; (3) failure to discharge a mandatory duty; (4) inverse 26 condemnation; (5) violation of the California Relocation Assistance Law; (6) violation of the 27 California Constitution; (7) violation of the Mobilehome Residency Law II; (8) negligent 28

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infliction of emotional distress; (9) intentional infliction of emotional distress; and (10) violation of the Unfair Competition Law (Bus. & Prof. Code, §17200).

On December 20, 2005, the Court granted the City's demurrer to the TAC with leave to amend as to (2) violation of the Mello Act (which was not amended) and without leave to amend as to (4) inverse condemnation, (5) violation of the California Relocation Assistance Law, (6) violation of the California Constitution, (8) negligent infliction of emotional distress, and (9) intentional infliction of emotional distress. On February 20, 2006, the City answered the TAC.

On July 18, 2006, the parties agreed to sever the causes of action for (7) violation of the Mobilehome Residency Law II; (8) negligent infliction of emotional distress; (9) intentional infliction of emotional distress; and (10) violation of the Unfair Competition Law (Bus. & Prof. Code, §17200) from the Action. As a result, the only remaining causes of action in the TAC as against the City are: (1) violation of the Mobilehome Residency Law I (park closure & relocation); and (3) failure to discharge a mandatory duty.

On April 20, 2007, the Court granted Plaintiff's motion for summary adjudication on three issues: (a) "De Anza Cove is a mobilehome park and the Mobilehome Residency Law (Civil Code §§ 798 et seq, Gov't Code §§ 65863.7-65863.8) applies in full to De Anza Cove and the City of San Diego;" (2) "The City of San Diego is under a mandatory duty to comply with the Mobilehome Residency Law, including but not limited to Civil Code §798.56(g)-(h) and Gov't Code §65863.7 which regulate closure of De Anza Cove, the timing and content of notices to residents, and tenant-impact-reporting and relocation assistance requirements;" and (3) "The City violated the Mobilehome Residency Law, Civil Code §798.56(g)-(h) and Gov't Code §65863.7 by failing to prepare a tenant impact report and serve lawful notices that complied with the MRL's timing and content requirements."

On May 21, 2007, the Court declined to refer the matter to the City Council or other legislative body to review the tenant impact report and determine the steps required to mitigate the adverse impacts of Park closure pursuant to Government Code section 65863.7(e). Instead, the Court ruled that it would serve the function of the legislature to review the report and determine the required mitigation. The Court further ruled that no right to jury trial flowed from

the Court's discretionary determination of the amounts required to mitigate the economic hardship of park closure, and therefore ordered the matter to proceed to bench trial.

On June 22, 2007, the Court approved the Notice of Class Action, and the Notice was served on all known current and former homeowners and residents of the Park since 2003.

On or about October 9, 2007, the matter proceeded to bench trial to determine the mitigation required to mitigate any adverse impact of the Park closure on the De Anza Cove homeowners and residents, not to exceed the reasonable costs of relocation.

On May 21, 2008, the Court issued its Statement of Decision and Order After Statement of Decision ("2008 SOD"). Therein, the Court ruled that the Relocation Standards and Procedures of the San Diego Housing Commission as adopted by the City in 1995 (P.O. 300.401) applied to the closure of the Park. The Court also granted Plaintiff's prayer for injunctive relief in its first cause of action in the TAC (violation of the Mobilehome Residency Law I (park closure & relocation) and ordered the City to fully comply with the Mobilehome Residency Law as set forth in its 2008 SOD, including the preparation of a Relocation Impact Report ("RIR") to address the mitigation of the park residents' economic hardship resulting from the closure of the park. The 2008 SOD further provided for the appointment of special master(s) pursuant to Code of Civil Procedure section 639 and California Rules of Court rule 3.922 to review the RIR and any other evidence relevant to the question of mitigation of economic hardship of class members, and submit recommendation to the Court for hearing and decision.

On or about February 14, 2014, Court-appointed Special Master/Referee Thomas

Sharkey issued three final reports / recommendations to the Court: (1) "Report Re: (A) Rent

Differential and (B) Date Class Membership is Determined Re: Residents Evicted After

September 4, 2007;" (2) "Second Report Re: Multiple Issues Pertaining to Closure of De Anza

Cove Park;" and (3) Recommendation of Special Master that Court Grant Approval to (A)

Stipulation and Findings Re: Class Membership Eligibility and Certain Relocation Benefits and

Order Thereon ("Stipulation and Findings Re: Class Membership Eligibility"); (B) Order on

Class Member Status of Certain Signed Settlement Agreements and Evictions Based on

Evidence Presented at Trial" ("Order on Class Member Status").

In accordance with the agreed-upon briefing schedule, the parties' objections to the Special Master's reports / recommendations were timely filed and presented to the Hon. Charles R. Hayes (Ret.), Judge Presiding by Special Appointment. The Court issued a tentative ruling on or about May 2, 2014 and took the matter under submission after hearing oral argument on May 6, 2014. On May 16, 2014, the Court requested additional briefing, which the parties timely provided on May 23, 2014.

On May 30, 2014, the Court issued its Decision On Matter Under Submission ("2014 Decision"). Therein, the Court determined the steps to be taken by the City to mitigate the adverse impacts of Park closure on the class members pursuant to Government Code section 65863.7:

A. The Court adopted the Relocation Standards and Procedures of the San Diego Housing Commission, Policy 300.401 effective 1995 ("SDHC Policy"). In the case where it is feasible to relocate the mobilehome, the homeowner shall be reimbursed the actual cost to relocate the mobilehome within the ranges set forth in the SDHC Policy based on coach size ("relocation allowance") and the additional amount of \$1,660 for any appurtenances ("appurtenance allowance") with the relocation and appurtenance allowances adjusted for changes in the Consumer Price Index, San Diego, All Items, All Urban Consumers. Where it is not feasible to relocate the mobilehome, the homeowner shall be provided forty-eight (48) months of rent differential (i.e., the difference between current space rent and rent for a comparable apartment unit of a size appropriate to accommodate the displaced household), plus moving expenses in the amount of \$1,660 ("moving allowance"), with the moving allowance adjusted for changes in the Consumer Price Index, San Diego, All Items, All Urban Consumers. Further, any homeowner that elects to sell his/her mobilehome to a third party shall retain any and all proceeds from the sale of the mobilehome.

B. The Court adopted the following current comparable apartment rents for the purposes of the rent differential: \$1,300 for mobilehome sizes 1 to 664.9 square feet; \$1,750 for mobilehome sizes 665 to 1059.9 square feet; \$2,600 for mobilehome sizes 1060 to 1379.9 square feet; \$3,395 for mobilehome sizes 1380 to 1629.9 square feet; and \$3,595 for

mobilehome sizes 1630 square feet and larger. For those homeowners that have already voluntarily vacated the Park pre-judgment without entering into a settlement agreements, the comparable apartment rents shall be determined as of the date they vacated the park, with the historical comparable rents calculated by applying the Consumer Price Index, U.S. City Average, All Items, All Urban Consumers to the current comparable apartment rents adopted by the Court.

- C. Temporary lodging expenses for homeowners shall be determined based on reasonable and verifiable lodging costs at the time of their relocation, on a case-by case basis and in an amount not to exceed \$147 per night up to seven nights, for (a) owners of mobilehomes that can be relocated, and (b) other mobilehome owners upon a showing of reasonable necessity for temporary lodging.
- D. Non-homeowner renters shall receive mitigation in the form of two (2) months current comparable apartment unit rent, plus a personal property moving allowance of \$1,660, with the moving allowance adjusted for changes in the Consumer Price Index, San Diego, All Items, All Urban Consumers.
- E. Those class members who have already voluntarily vacated the Park prejudgment shall also receive pre-judgment interest at the rate of seven (7) percent per annum on expenses they have incurred for benefits to which they are entitled under the SDHC Policy. This pre-judgment interest shall accrue from the date the class member vacated the Park.
- F. All class members shall receive their monetary relocation benefit, as applicable, on a lump sum basis.

On June 17, 2014, plaintiffs filed objections to the 2014 Decision. On July 10 and July 31, 2014, respectively, the City and plaintiffs each filed objections to the other side's proposed judgment. The Court considered these three sets of objections, as well as oral argument thereon heard August 8, 2014.

In the interim between signing the 2008 SOD and the 2014 Decision, Judge Hayes retired but was specially assigned to this case. As of May 31, 2014, Judge Hayes became unavailable to sign a judgment when his special assignment ended. On June 19, 2014, the case was assigned to Hon. Joel M. Pressman. Taken together, the 2008 SOD and the 2014 Decision adequately

"explain the factual and legal basis for [the court's] decision as to each of the principal controverted issues at trial" (Code Civ. Proc., § 632). Consequently, Code of Civil Procedure section 635 authorizes Judge Pressman to sign this formal judgment conforming to the 2008 SOD and the 2014 Decision.

Plaintiff, individually and as class representative of all others similarly situated, was represented by Class Counsel Timothy Tatro, Esq., and Peter Zamoyski, Esq., of Tatro & Zamoyski, LLP, and Vincent J. Bartolotta, Jr., Esq., and Karen Frostrom, Esq., of Thorsnes, Bartolotta & McGuire. Defendant was represented by William Rathbone, Esq., and Timothy Branson, Esq., of Gordon & Rees LLP, and by John Riley, Esq., and Donald Worley, Esq. of the Office of the City Attorney of the City of San Diego.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

CLASS MEMBERS

1. Pursuant to California Rules of Court, Rule 3.771(a), the following persons are members of the class ("Plaintiff Class Members"), except for (1) those persons who opted out of the Action as specified in the Notice Administrator's declaration on file with the Court, (2) those persons who have been identified as excluded or ineligible for benefits in the Stipulation And Findings Re: Class Membership Eligibility_And Certain Relocation Benefits; And Order Thereon (signed by Judge Hayes on Feb. 14, 2014) ("Stipulation And Order"), and/or (3) those persons who have been identified as excluded or ineligible for benefits in the Order on Class Member Status of Certain Signed Settlement Agreements and Evictions Based on Evidence Presented at Trial:

Plaintiff Class Members include all persons who, on October 22, 2003, were homeowners and/or residents of the mobilehome park now known as Mission Bay Park and formerly known as De Anza Harbor Resort, located at 2727 De Anza Road, San Diego, California (Park), and currently remain homeowners and/or residents, or are heirs of homeowners or residents and who have not entered into settlement agreements, and former homeowners or residents and their heirs who resided at the Park on October 22, 2003 and voluntarily vacated the premises without entering into a settlement agreement. However, homeowners and/or residents who were members of the Class as of September 4,

2007 but were later evicted or involuntarily vacated the Park remain eligible Plaintiff Class Members.

MITIGATION REQUIRED TO CLOSE THE PARK

- 2. Pursuant to Government Code section 65863.7(e), and in accordance with the 2008 SOD and the 2014 Decision, Defendant is required to pay to each Plaintiff Class Member, as a condition to closing the Park and to mitigate the adverse impacts of park closure, (a) the "Home Benefit Amount" set forth at page 10 of the Stipulation And Order, (b) the amount due under paragraphs A and B, *supra*, or (c) the amount due under paragraph D, *supra*.
- 3. Within five court days of entry of this judgment, Defendant and Class Counsel shall create a mutually agreed upon Plaintiff Class Member Compensation Spreadsheet ("Compensation Spreadsheet") which shall set forth the specific amount of mitigation to be paid to each Plaintiff Class Member under (a), (b) or (c) above. If, after the five court days have elapsed, counsel have not agreed upon a Compensation Spreadsheet, OPC shall forthwith create the Compensation Spreadsheet.
- 4. The amounts set forth in the Compensation Spreadsheet shall, for those Plaintiff Class Members who have already voluntarily vacated the Park pre-judgment ("Vacated Class Members"), include pre-judgment interest from the date the Vacated Class Member vacated the Park until the date of entry of judgment at the rate of seven (7) percent per annum.
- 5. In addition to amounts specified in Paragraphs 2, 3 and 4, Defendant shall bear the cost of any temporary lodging payments for (a) those Plaintiff Class Members with mobilehomes in the Park that will be relocated, or (b) those Plaintiff Class Members that show a reasonable necessity for temporary lodging. The amount of the lodging payment is to be determined on a case-by-case basis by Overland Pacific & Cutler ("OPC") and the affected Plaintiff Class Member based on reasonable and verifiable lodging costs at the time of their move, not to exceed \$147 per night for up to seven (7) nights.
- 6. Defendant shall offer to each Plaintiff Class Member the services of a relocation consultant/coordinator to (1) explain benefits and issues related to the closure of the Park; (2) identify replacement housing, (3) coordinate moving arrangements, (4) identify disabled-

- 7. Defendant shall bear the reasonable cost of any reasonable disability or other access modifications for Plaintiff Class Members at their new residences, provided that (a) the modifications are part of the Plaintiff Class Member's mobilehome at the time of entry of this Judgment and (b) the owner of the apartment unit would be required to make such modifications at the request and expense of the resident pursuant to the Fair Housing Act. Defendant has no responsibility to pay for modifications to an apartment unit that are the responsibility of the owner of the apartment unit.
- 8. In accordance with the orders of the Court that this Action is to determine the discretionary steps necessary to mitigate the adverse impacts of Park closure, Defendant shall have no obligation, prior to its service of a notice of Park closure pursuant to Paragraph 9, to fund, pay for, or otherwise provide the mitigation specified in Paragraphs 2 through 7.

NOTICE OF PARK CLOSURE AND CLAIM PROCEDURES

9. Subject to any stay pending appeal, Defendant shall within ninety (90) days of entry of this judgment serve a twelve (12) month notice of Park closure on all homeowners and residents in the Park pursuant to Civil Code section 798.56(g)(2) ("Twelve-Month Notice"). The Twelve-Month Notice shall establish the date for all homeowners and residents to vacate the park and for the final and complete removal of all homes from the Park ("Date of Park Closure"). The Twelve-Month Notice shall be accompanied by: (a) OPC's Final Relocation Impact Report ("Final RIR"), pursuant to Civil Code section 798.56(h) and Government Code section 65863.7; (b) the 2008 SOD; (c) the 2014 Decision; and (d) a blank Termination of Tenancy Agreement. Defendant and Park management shall coordinate service of the Twelve-Month Notice and

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accompanying documents on all homeowners and residents in the Park by Courier and U.S. Certified Mail, Return Receipt Requested.

- 10. On the date of issuance of the Twelve-Month Notice, Defendant shall fund the mitigation for Vacated Class Members as specified in Paragraphs 3 and 4 into a trust account with a financial institution of Defendant's own choosing, in Defendant's own name and under its control, for the purpose of paying the mitigation to the Plaintiff Class Members (the "Relocation Fund"). At that time, Defendant will also deposit the additional amount of \$500,000 into the Relocation Fund to cover the cost of any lodging expenses, handicap access modifications, or other relocation-related expenses incurred by Defendant or OPC during the park closure process. Thereafter, Defendant shall provide Plaintiffs' Class Counsel with a quarterly accounting of the disbursements from the Relocation Fund.
- 11. On the date of issuance of the Twelve-Month Notice, De Anza Cove Notice Administrator Gilardi & Co. shall separately mail claim forms and instructions, jointly prepared by Defendant and Class Counsel, to all Plaintiff Class Members. Defendant shall also coordinate with Class Counsel regarding the scheduling of an onsite, informational meeting for Plaintiff Class Members with representatives of OPC.
- 12. After the issuance of the Twelve-Month Notice, payments shall be issued to Plaintiff Class Members, on a household-by-household lump sum basis, provided that the Plaintiffs Class Member (a) is a Vacated Class Member so identified in the Compensation Spreadsheet and has submitted a valid claim pursuant to Paragraph 13, or (b) since the filing of the Judgment and/or after the issuance of the Twelve-Month Notice, the Plaintiff Class Member has (i) provided Defendant or OPC with a minimum of sixty (60) days-notice of his or her intent to vacate the Park, unless otherwise agreed by Defendant, (ii) executed a termination of tenancy agreement, (iii) vacated the Park, and (iv) submitted a valid claim pursuant to Paragraph 13. "Vacate" or "vacated" means that he/she has paid any and all outstanding rent and utilities, and either (1) physically moved him or herself, any and all occupants, his/her mobilehome, appurtenances and personal property from the Park or (2) physically moved him or herself, any and all occupants, and clear title to

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- 16. Plaintiff Class Members shall be prohibited from transferring their rights to relocation benefits, and Defendant shall have no obligation to pay mitigation or provide relocation assistance to persons or entities that purchased mobilehomes from Plaintiff Class Members after October 22, 2003. Defendant shall also have no obligation to facilitate or otherwise assist with the sale of mobilehomes to third parties or the removal of such mobilehomes from the Park, or be responsible for any costs incurred related to same.
- 17. Any remaining balance in the Relocation Fund sixty (60) days after expiration of the Twelve Month Notice period shall be retained by Defendant, including any relocation compensation unclaimed by Plaintiff Class Members identified in the Compensation Spreadsheet on or before the Date of Park Closure.
- 18. Defendant shall have no obligation under this Judgment to pay mitigation or otherwise provide relocation assistance to park homeowners and/or residents that are not Plaintiff Class Members as defined in Paragraph 1 because they are not within the jurisdiction of this class action. Non class-members have not waived their potential claims and may be eligible to have their claims addressed in a separate legal action on an individual basis. All Plaintiff Class Member homeowners and residents that continue to occupy spaces and/or reside in the Park on or after the date of issuance of the Twelve-Month shall be required to vacate the Park on or before the Date of Park Closure.
 - 19. Any Plaintiff Class Member or other homeowner or resident that fails to fully

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to close down any common areas including the Bay Club, the Pavilion, laundry facilities,

Discontinuing or diminishing any current services to the Park residents or

residents, or subtenants regarding the Action, release agreements, or settlements.

to implementing the closure of the park. Prior to the filing of any application, motion, or suit related to the Judgment, the 2 25. parties shall commence a meet and confer process in writing and negotiate in good faith in an 3 effort to resolve any dispute arising from or related to the Judgment without intervention by the 4 Special Master/Referee and/or the Court. If the parties are unable to resolve their dispute after 5 meet and confer discussions, any party may seek a resolution of that dispute by the Court. 6 7 NOTICE OF ENTRY OF JUDGMENT Within thirty (30) calendar days of the filing of the Notice of Entry of Judgment, 26. 8 the De Anza Cove Notice Administrator Gilardi & Co. shall (a) serve Notice of Entry of 9 Judgment on the Plaintiff Class Members identified in Exhibit A by First-Class U.S. Mail, which 10 will be comprised of a summary notice jointly prepared and approved by the parties and a court-11 endorsed copy of the Notice of Entry of Judgment (Cal. Rules of Ct., Rule 3.771(b)), and (b) 12 establish an internet website or webpage(s) on its own website that includes, but is not limited to, 13 the publishing of the Notice of Entry of Judgment. Copies of the Notice of Entry of Judgment 14 15 shall also be kept by Defendant at the Park's management office available for any homeowner or tenant at all times through and until the complete removal of all mobilehomes from the Park. 16 ATTORNEYS' FEES AND COSTS 17 Plaintiff is awarded attorneys' fees in the amount of \$ and costs in the 18 27. , to be interlineated into the Judgment by cost memorandum and/or 19 amount of \$ noticed motion. Said award fees and costs shall be deposited into a trust account with a financial 20 institution of Defendant's own choosing, in Defendant's own name and under its control. 21 22 23 24 JOEL M. PRESSMAN 25 JUDGE OF THE SUPERIOR COURT 26 27 28 JUDGMENT