REPLY BRIEF SUBMITTED BY CITY OF ALBANY IN SUPPORT OF MOTION FOR PREJUDGMENT POSSESSION

### I. <u>INTRODUCTION</u>

Defendant Albany Lions Club, Lions International's ("Defendant) Opposition does nothing to refute the fact that Plaintiff City Of Albany ("City") has met all of the requirements to obtain prejudgment possession. Recognizing this, Defendant attempts to argue red herrings that have nothing to do with the statutory requirements for prejudgment possession. Additionally, Defendant—who is neither the owner of the property or an occupant of the property—makes no justifiable argument that prejudgment possession will result in undue hardship to Defendant, which is the central issue on a motion for prejudgment possession.

Code of Civil Procedure section 1255.410(d)(2) establishes the four conditions precedent for granting a request for prejudgment possession in the event of a timely opposition. Here, the Court should grant the City's motion for prejudgment possession, as the City has met each of the four prerequisites. As more fully set forth in its moving papers, and below, the City:

- Made a valid precondemnation offer to Defendant, based on an appraisal prepared by a licensed appraiser;
- Conducted a hearing and adopted a valid resolution of necessity to acquire the real property that the City is seeking to acquire in this action;
- Made a deposit of the probable just compensation based on an appraisal;
- Has met all of the requirements for the issuance of an order for prejudgment possession; and
- Will suffer substantial hardship if prejudgment possession is limited or denied.

On the other hand, Defendant makes no showing as to why prejudgment possession would result in any hardship to Defendant, instead claiming that the granting of the motion will necessarily mean that Defendant cannot light the cross on Easter or Christmas, or hold Easter morning services at the cross. Neither of these "hardships" relate to the timing of possession, but rather the acquisition as a whole. In order to defeat the City's motion for prejudgment possession, Defendant must establish an immediate hardship related to the timing of possession. Defendant has wholly failed to establish this crucial finding.

Defendant also argues that its right-to-take challenge somehow precludes the granting of 38159.03002\40310254.1

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prejudgment possession. In making this argument, Defendant essentially seeks to transform this motion for prejudgment possession into a right to take trial. However, arguments related to any right-to-take issues, or compensation issues, have no bearing on the City's ability to obtain prejudgment possession.

The City has established that it has met all of the requirements for prejudgment possession, including substantial hardship if prejudgment possession is not granted. In response, Defendant has failed to establish any hardship on its part that would justify denying the City's motion.

#### II. **LEGAL STANDARD**

The City is presumed to have met the requirements for prejudgment possession if the motion is not opposed within 30 days of service: "the court shall make an order for possession" if it finds that the plaintiff is entitled to take the property by eminent domain, and that it has made the requisite deposit. (Code Civ. Proc. § 1255.410(d)(1) (emphasis added).) Only if the motion is opposed does the condemning agency bear the additional burden of showing that there is an overriding need for prejudgment possession and that, if possession is denied, the agency will suffer substantial hardship that is greater than the hardship suffered by the opposing party.

As set forth in its moving papers, and below, the City has satisfied the requirements of Code of Civil Procedure section 1255.410. Moreover, there is an overriding need for the City to obtain prejudgment possession, and the City will suffer a substantial hardship if possession is denied or limited. The hardship that the City will suffer if possession is denied or limited outweighs any hardship on Defendant that would be caused by the granting of the order for possession.

#### III. THE CITY HAS SATISFIED ALL OBLIGATIONS FOR POSSESSION

The court may make an order for prejudgment possession of the property if the court finds each of the following: (1) the plaintiff is entitled to take the property by eminent domain; (2) the plaintiff has deposited, pursuant to Article 1 (commencing with Section 1255.010), an amount that satisfies the requirements of that article; (3) there is an overriding need for the plaintiff to possess the property prior to the issuance of final judgment in the case, and the plaintiff will suffer a substantial hardship if the application for possession is denied or limited; and (4) the hardship that the plaintiff will suffer if possession is denied or limited outweighs any hardship on the defendant 38159.03002\40310254.1

or occupant that would be caused by the granting of the order of possession. (Code Civ. Proc., § 1255.410, subd. (d)(2).) Here, the City has met all the requirements.

#### A. The City is Entitled to Take the Property

On April 4, 2022, after a noticed hearing, the City Council adopted Resolution of Necessity No. 2022-32 (the "RON"), declaring that the public interest and necessity require the acquisition, by eminent domain proceedings, of the easement interest held by Defendants, as well as removal of the cross. (Bond Decl., ¶¶ 4, 7,8; Ex B.) The City is granted this authority under Government Code § 37350 *et seq.* and Code of Civil Procedure §§ 1240.110 and 1240.120.

The City Council adopted the RON, having made the requisite findings to adopt the resolution. (Bond Decl. ¶ 9.) Thus, there is a *conclusive presumption* that the City has the right to acquire the property through eminent domain. (Code Civ. Proc. §§ 1240.030, 1245.250; see e.g., *People ex rel. Dep't of Transp. v. Cole* (1992) 7 Cal.App.4th 1281, 1284-85; *Council of San Benito County Governments v. Hollister Inn, Inc.* (2012) 209 Cal.App.4th 473, 497.) Defendant takes issue with this requirement, arguing that it is asserting a right-to-take challenge. However, as set forth below, the law is clear that any such challenge does not overcome the conclusive presumption afforded the City related to a motion for prejudgment possession.

#### B. The City Has Deposited a Probable Amount of Just Compensation

The City has deposited an amount pursuant to Article 1 (commencing with Section 1255.010) that satisfies the requirements of that article. On or about April 28, 2022, the City deposited in the condemnation trust account of the State Treasury the amount of \$500,000 as the probable compensation for the acquisition of the easement (and cross removal) on the Property. Defendant does not take issue with the City's deposit.

## C. There is an Overriding Need for Prejudgment Possession

There is an overriding need for the City to possess the property prior to the issuance of final judgment in the case. Here, a resolution of necessity may be considered sufficient evidence of a public entity's urgent need to obtain possession. (*Israni v. Superior Court* (2001) 88 Cal.App.4th 621, 640.) Only in rare instances will courts disturb a legislative or administrative declaration, such as a resolution of necessity, that the particular use is public or necessary. (See *People ex rel. Dep't* 38159.03002\40310254.1

Pub. Works v. Superior Court (1968) 68 Cal.2d 206.)

The City owns the property that is the subject matter of this eminent domain action. Defendant has a limited easement over the property for ingress and egress in order to maintain a cross situated on the property. The City proposes a project required by public interest and necessity because the City seeks to acquire the easement in order to unencumber public land and avoid any potential violation of the Establishment Clause arising from Defendant's display of a cross in the park. (Bond Decl., ¶¶ 2–4; see Code Civ. Proc., § 1240.680, subd. (a)(1) ["property is presumed to have been appropriated for the best and most necessary public use if the property is appropriated to public use as...a city park...."]; see also Lions Club of Albany, California v. City of Albany (N.D. Cal. 2018) 323 F.Supp.3d 1104, 1117.) Here, the property is already being utilized as public space. Accordingly, the City's intended use is presumed to be the best and most necessary use.

Additionally, the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury because the easement to be acquired (with the cross) is prominently located and highly visible. (Delahooke Decl., Ex. B at pp. 1–13; *Lions Club*, *supra*, 323 F.Supp.3d at p. 1110.) Acquisition of the easement (and removal of the cross) will, thus, have the greatest public good by creating unobstructed views and preserving the open space character of the park from many vantage points. Additionally, acquiring the easement will eliminate potential tax payer dollars to be spent regarding a potential Establishment Clause violation. For those same reasons, and because of the location-specific nature of the public project, acquisition of the Property is necessary; no other property could be acquired that would serve the public purposes of the project.

#### D. The City's Hardship Outweighs any Hardship Claimed by Defendant

The City will suffer hardship without prejudgment possession, as there will be an unnecessary and ongoing risk of litigation due to the possibility that the cross raises concerns under the Establishment Clause. (Bond Decl., ¶ 11 & Ex. C [*Lions Club*, *supra*, 323 F.Supp.3d at pp. 1115–17].) It is uncertain how long the eminent domain action will take. Accordingly, denying this motion would simply be delaying the acquisition while simultaneously subjecting the City to a unnecessary risk of litigation during the pendency of the eminent domain action. The property is 38159.03002\40310254.1

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necessary for the City's public use, as acquisition of the easement – and removal of the cross – are the required in order to unencumber the park, as well as avoid a potential Establish Clause issue. (Bond Decl. ¶ 4.) The City's legitimate and secular purpose in avoiding future Establishment Clause litigation justifies the removal of the cross. (See *Vasquez v. Los Angeles County*, 487 F.3d 1246, 1257 (9th Cir. 2007).)

Additionally, the City is presently managing the property as a public park. The City has an ongoing and overriding need to continue managing the open space, with all of its plant and animal life, for the public, without interference of the maintenance of the cross. (Bond Decl., ¶ 11.) The City has an overriding need for possession of the property to be able to appropriately manage this open space. (*Ibid.*)

On the other side, Defendant's stated hardships are nothing more than not being able to light up the cross at Easter and Christmas, or be able to hold Easter morning services. Neither of these hardships outweigh the City's hardships. In support of its opposition, Defendant submits two declarations. The declaration of Robert Nichols, Defendant's attorney, does not set forth any hardship on behalf of Defendant. Rather, Mr. Nichols's declaration appears to only set forth various statements made by third parties in 2015-2017. With respect to the declaration of Kenneth Berner, the only hardship set forth is that "[r]emoval of the Cross will prevent the Lions Club from illuminating the Cross at Christmas and Easter and will end Easter Morning Services at the Cross." (Berner Decl. ¶ 11.) There are a number of things wrong with this statement. First, this does not provide a justification for substantial hardship. In evaluating prejudgment possession, the balancing of hardships involves the granting of *immediate* possession, not hardships related to the overall acquisition. (See Code Civ. Proc. § 1255.410(d)(2)(D).) There is no indication, or factual statement, that Defendant will suffer any hardship as a specific result of *immediate* possession. Rather, all of the alleged harms expressed by Defendant result from the acquisition of the Property, regardless of when it will be taken. None of the hardships raised in the Opposition relate to the timing of possession, which his required in opposing a motion for possession. (Israni v. Superior Court (2001) 88 Cal. App. 4th 621. 636 [the Court defined the term "substantial hardship" to require

<sup>&</sup>lt;sup>1</sup> The City has filed a corresponding objection to evidence. <sup>38159.03002</sup>\(\dag{40310254.1}\)

a specific relationship to the particular interval between the application for the order of immediate possession and its proposed effective date].)

Second, the easement that is the subject matter of this acquisition states as follows: "an easement for ingress and egress to maintain the existing cross standing on a portion of the following described premises..." (Bond Decl. & Ex. B.) The lighting of the cross at Easter and Christmas, or the holding of Easter morning services, are not contemplated uses under the easement, and cannot therefore be used as a basis to oppose the City's right to prejudgment possession. At most, the lighting of the cross, and Easter morning services, can be considered an ancillary benefit of the easement. Deprivation of a benefit, even a substantial one, is not the equivalent of a substantial hardship. (*Fairrington v. Dyke Water Co.* (1958) 50 Cal.2d 198.)

#### IV. <u>DEFENDANT'S OBJECTIONS</u>

Under Code of Civil Procedure section 1255.410, once the City has demonstrated that it: (1) adopted a RON; and (2) made the required deposit of probable just compensation, the burden shifts to the defendant to demonstrate it would suffer hardship if the City was granted prejudgment possession. The "overriding need" the City must demonstrate is considered in the context of the plan of operation for execution of the project and the situation of the property with respect to such plan. (*Israni v. Superior Court* (2001) 88 Cal.App.4th 621, 638, discussing "urgent need" standard under previous section 1255.410, subd.(c).) Hardship to the defendant requires a specific relationship to the interval between the application for the order of possession and its effective date. (*Id.* at p. 642, addressing "substantial hardship" as defined under previous section 1255.420.)

#### A. <u>Defendant Does Not Own or Occupy the Property</u>

Code of Civil Procedure § 1255.410(c) states that only a defendant or an occupant of the property can oppose a motion of prejudgment possession. The City owns fee title to the property. Defendant simply has a non-exclusive easement interest for ingress and egress to maintain the cross on the property. (Bond Decl. ¶ 3 & Ex A.) Defendant has no legal right to possession of the land and is not the record owner of the property. (See *Marvin M. Brandt Revocable Tr. v. U.S.*, 572 U.S. 93 (2014).) Moreover, Defendant has no possessory interest in the land or the cross. The definition of "occupant" requires actual possession of land, and as Defendant has none, Defendant is not an 38159.03002\40310254.1

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occupant. (See Dutcher v. Sanders (1912) 20 Cal.App.549.) The purpose of notification for prejudgment possession is to assure the occupants of the property being acquired are put on notice in case the acquisition displaces any such occupant, requiring that they relocate. (See e.g., Code Civ. Proc. 1255.410(e)(1)(A) & B; Gov. Code 7260-7277 [providing that a public entity must provide relocation assistance to any person or business displaced as a result of the acquisition]; see also Parking Auth. v. Nicovich (1973) 32 Cal.App.3d 420). Defendant is neither an owner or an occupant, and there is no relocation.

### В. Defendant Does Not Have a Sufficient Interest in the Property to be Able to **Assert Hardship**

Code of Civil Procedure section 1255.410, subdivision (c), provides that a written opposition asserting hardship "shall be supported by a declaration signed under penalty of perjury stating facts supporting the hardship." Declarations usually are by an owner and/or occupant of the property (Defendant is neither), but competent experts may also provide supporting declarations. (Condemnation Practice in California 93d ed Cal CEB 2005), § 8.32.) Because the test is one of balancing hardships between the parties, the opposition should provide a detailed description of hardship to the owner and any occupant. (*Ibid.*)

As set forth above, Defendant is neither an owner or occupant of the property, but rather has an easement interest. An easement is a nonpossessory interest in real property, thus the easement owner does not have the right to actual possession. (Marvin M. Brandt Revocable Tr. v. U.S., 572 U.S. 93 (2014).) Any "hardship" Defendant suggests is mere conjecture. Indeed, potential loss to a party not in possession of the property in question does not amount to a substantial hardship. (See Israni v. Superior Court (2001) 88 Cal.App.4th 621, 640643). Because Defendant does not actually own or possess the property, the "hardships" set forth by Defendant do not provide a basis to deny the City's motion for prejudgment possession.

Defendant also claims that the City's acquisition constitutes a violation and loss of First Amendment rights. It is unclear if this is listed as a substantial hardship by Defendant. Moreover, Defendant offers no legal authority as to how Defendant's First Amendment rights have been violated by the City, nor any authority equating loss of First Amendment rights to substantial 38159.03002\40310254.1

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hardship, as defined by Code Civ. Proc. § 1255.410. Even more, Defendant's own Constitution and Bylaw state that its purpose is: "To Provide a forum for the open discussion of all matters of public interest; provided, however, that partisan politics and sectarian religion shall not be debated by club members." (Italics added). Defendant's actions of lighting the cross and holding Easter morning services appear to be in direct contradiction to the authorized purpose of the organization.

#### C. Disputes in Compensation Do Not Provide a Basis to Oppose Possession

Defendant argues that applying for a permit and constructing a new cross will cost time and money. (Opposition 3:12-15; 6:9-13.) This is an irrelevant. Such an argument relates to compensation, not prejudgment possession. The issue of just compensation is entirely separate from the question of the City's right to acquire the property. Defendant offers no other authority indicating the amount of compensation to be sought is grounds to oppose prejudgment possession. If it were, every eminent domain defendant could defeat a motion for prejudgment possession simply by raising allegations regarding the amount of just compensation and other damages to be determined at trial. This conclusion is untenable and unnecessary given the specific procedural safeguards established by the legislature in Code of Civil Procedure section 1255.010 et seq.

If Defendant does believe it is entitled to additional compensation, Defendant is entitled to seek that compensation in the eminent domain action. But for purposes of prejudgment possession, such a claim does not affect the City's ability to obtain prejudgment possession. Rather, the central issue of prejudgment possession is hardship specific to the timing of possession, and Defendant has failed to identify any such hardship.

# D. Right-to-Take Challenges Do Not Affect the City's Ability to Obtain **Prejudgment Possession**

Defendant argues that the City did not adopt a lawful resolution of necessity because the City "fails to describe a 'project." (Opposition 6:25-26.) As such, Defendant contends that the RON is invalid. A challenge to the validity of the RON is a right-to-take challenge. Here,

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laws/Lions%20Club%20International%20Constitution%20&%20By-Laws.pdf 38159.03002\40310254.1

<sup>26</sup> 27

Language can be found on the Lions Club International Constitution and Bylaws at: https://clubrunner.blob.core.windows.net/00000101144/en-us/files/homepage/lions-clubinternational-constitution-by-

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Defendant's challenge to the City's right to take is mistimed. Such challenges are determined at the right to take trial under section 1260.120. (Santa Cruz County Redevelopment Agency v. Izant (1995) 37 Cal.App.4th 141, 151-152.)

Defendant confuses one of the prerequisites for an order for prejudgment possession – "[t]he plaintiff is entitled to take the property by eminent domain" (Code of Civ. Proc., § 1255.410, subd. (d)(2)(A), emphasis added) – with a right to take trial under section 1260.120. The prerequisite for an order for prejudgment possession (i.e., "entitled to take") is a preliminary determination. In the context of a motion for prejudgment possession, the Legislative Committee Comment following section 1255.410 is instructive:

> It should be noted that the determination of the plaintiff's right to take the property by eminent domain [under this provision] is preliminary only. The granting of an order for possession does not prejudice the defendant's right to demur to the complaint or to contest the taking. Conversely, the denial of an order for possession does not require a dismissal of the proceeding and does not prejudice the plaintiff's right to fully litigate the issue if raised by the defendant.

(Cal. Law Revision Com. Com., 19 Pt. 3 West's Ann. Code Civ. Proc. (2007 ed.) foll. § 1255.410, p. 580.) In contrast, section 1260.120, subdivision (a), provides that the Court "shall hear and determine all objections to the right to take." This provision provides for "a court determination of right to take issues." (Cal. Law Revision Com., 19 Pt.3 West's Ann. Code Civ. Proc. (2007) ed.) foll. § 1260.120, p. 625.) Section 1260.110 specifically provides that objections to the right to take are heard at the right to take trial, <u>not</u> on a motion for prejudgment possession:

- (a) Where objections to the right to take are raised, unless the court orders otherwise, they shall be heard and determined prior to the determination of the issue of compensation.
- (b) The court may, on motion of any party, after notice and hearing, specially set such objections for trial. (Emphasis added.)

The Legislature distinguished between the two processes – one preliminary and one final. The prerequisite to prejudgment possession is whether the agency is "entitled to take the property by eminent domain." (Code Civ. Proc., § 1255.410, subd. (d)(2)(A), emphasis added.) When the Legislature uses different words as part of the same statutory scheme, those words are presumed to 38159.03002\40310254.1

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have different meanings. (Romano v. Mercury Ins. Co. (2005) 128 Cal. App. 4th 1333, 1343.) The statutory scheme is consistent. It provides that prejudgment orders of possession can be vacated under certain circumstances. (Code Civ. Proc., § 1255.440.) Defendant's contention that it would be improper to grant a motion for prejudgment possession prior to determining the validity of the right to take is wrong. Section 1255.440 would be meaningless if Defendant's contention was true.

Until a right to take trial is held, the resolution of necessity creates a conclusive presumption that the following are true: (1) the public interest and necessity require the project; (2) the project is planned or located in the manner that will be most compatible with the greatest public good and least private injury; and (3) the property sought to be acquired is necessary for the project. (Code Civ. Proc., §§ 1240.030 and 1245.250.)

An agency is "entitled to take the property by eminent domain" where the agency is statutorily authorized to exercise the power of eminent domain and a resolution of necessity was adopted prior to the filing of the action. Government Code section 37350.5 states that a "city may acquire by eminent domain any property necessary to carry out any of its powers or functions." The City is thus "entitled" to take the property by eminent domain because it is a city organized and existing under California law and it adopted a valid RON.

Dated: July 13, 2022 BEST BEST & KRIEGER LLP

Attorneys for Plaintiff CITY OF ALBANY, a charter city

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### PROOF OF SERVICE

I, Ana Horta, declare:

I am a citizen of the United States and employed in Los Angeles County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 3390 University Avenue, 5<sup>th</sup> Floor, Riverside, California 92501. On July 13, 2022, I served a copy of the within document(s):

# REPLY BRIEF SUBMITTED BY CITY OF ALBANY IN SUPPORT OF MOTION FOR PREJUDGMENT POSSESSION

	by transmitting via facsimile the document(s) listed above to the fax number(s) set forth below on this date before 5:00 p.m.
	by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, the United States mail at Riverside, California addressed as set forth below.
×	by placing the document(s) listed above in a sealed FedEx envelope and affixing a pre-paid air bill, and causing the envelope to be delivered to a FedEx agent for delivery.
	by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.
×	by transmitting via e-mail or electronic transmission the document(s) listed above to the person(s) at the e-mail address(es) set forth below.

Robert E. Nichols Richard W. Covert 713 Key Route Blvd. Albany, CA 94706 Tel: (510) 710-7033 Attorneys for Defendant LIONS CLUB OF ALBANY, CALIFORNIA

Email: renichols01@comcast.net

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on July 13, 2022, at Riverside, California.

Ana Horta

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