Comments on the City of PVE Statement Regarding Parklands Ruling

On January 31, 2018, The City of Palos Verdes Estates issued the following statement from the Mayor:

Statement Regarding Yesterday's Court of Appeal Ruling on the Via Panorama Property Post Date:01/31/2018 10:00 AM

"Yesterday afternoon the City learned that the Court of Appeal ruled in favor of the City's position in the appeal involving the Via Panorama property.

The City appealed for two reasons: first, to protect our parklands and our local control of the parklands; second, to protect our taxpayer dollars from the award of legal fees based on what the City believed to be an incorrect legal decision. The City's position was upheld on both points. The Court of Appeal ruled that it was inappropriate to grant the Plaintiffs special power over all of our parklands. The Court of Appeal also reversed the attorney fee award against the City.

The City's intention, throughout this process, has been to protect the open space and neighborhood character that our residents hold dear. We intend to move forward from this point, working positively and proactively with our residents, to preserve and protect the parklands and quality of life we all enjoy in Palos Verdes Estates."

--- Mayor James Vandever, City of Palos Verdes Estates

Some members of the community have found the statement confusing, and others know it to be misleading. Therefore to set the record straight, here are some comments (in blue italics) from John Harbison, Plaintiff in the Ruling that was appealed by the City.

To claim the Appeal Judgement was "in favor of the City's position in the appeal" is a significant overstatement:

- It is true that the Appeal reversed the portion of the ruling that declared the City's actions illegal, and the Appellate judges noted that it was the PVHA not the City that illegally sold the parkland to the Luglianis in violation of the underlying deed restrictions.
- However, the three Appellate Judges unanimously concluded that the transfer from the PVHA to the Luglianis was illegal, and the City has been vigorously advocating for four years that there was nothing illegal with that transaction.
- Moreover, the three Appellate Judges in remanding the case back for trial noted that their finding in favor of the City would hold only if the City can prove that it did not know that the PVHA was going to transfer the property to the Luglianis:

"The circumstances surrounding the complicated transfer of property, specifically Parcel A, and money are curious. While the City may have had the right to transfer Parcel A to the Association, it may not have had the right to do so if it knew that the Association was going to transfer Parcel A to the Luglianis [emphasis added]. And it is disputed whether the City used and/or will continue to use public monies to fund alleged illegal efforts, namely those that violate the deed restrictions. Because it is disputed whether the City had the right to transfer Parcel A under the circumstances

presented here, we conclude that neither plaintiffs nor the City was entitled to summary judgment."

- Thus, the only way the City will sustain its "victory" is if it **cannot** be proven in the upcoming trial that the City did not know about the intent of the PVHA to sell the property to the Luglianis at the time the City transferred it to the PVHA. Proving that is trivial since:
 - Prior to the completion of the transaction, the City signed a legally binding Memorandum of Understanding that explicitly states the obligations of all the parties under the MOU, and the PVHA is obligated to sell the property to the Luglianis immediately after receiving the property form the City. This document was approved unanimously by the PVE City Council and posted as part of the May 8, 2012 City Council Meeting prior to the completion of the sale.
 - Then Major George Bird said on the record (his audio comments are on the City Website) that "As it's been said eloquently by my colleagues to my left and right, this was a Win-Win-Win. The Homes Association, the School District has asked us to sign off on this, and credit goes to one person, and that's our City Attorney, who the public must know that she really spearheaded and brought together the parties after having talked to each of them and worked together to come up with a Win-Win-Win situation [emphasis added]."
 - The City has made multiple arguments in support of the transaction during the court case and tried to reinforce the PVHA's claim that it had the power to ignore deed restrictions. The City also argued that it had "Municipal Police Powers" that allowed them to ignore deed restrictions on a selective basis.

Aside from the above "narrow" assessment of victory, there are multiple misleading contextual statements in Mayor Vandever's comments on the Ruling:

- "The City appealed ... to protect our parklands and our local control of the parklands..."

 If the City was genuine in wanting to "protect our parklands," it was on the wrong side of this disagreement. Had they accepted the ruling, it would have prevented not only this parcel from being sold, but all parkland and school property parcels from being sold. It was that "breadth" that the City claimed was the basis for the appeal. Click here for the original ruling that the City said it needed to appeal.
- "The Court of Appeal ruled that it was inappropriate to grant the Plaintiffs special power over all of our parklands." The City has made this false claim before that the original ruling granted powers to CEPC (and me) to interfere with parklands encroachment enforcement processes that is not in the ruling and never was in the ruling. The only thing in the ruling close to this is that anyone (including CEPC and me) could go directly to the Judge (without starting another lawsuit) if the City or PVHA ever tried again to sell parkland. Read the Ruling and see for yourself.
- "The City's intention, throughout this process, has been to protect the open space and neighborhood character that our residents hold dear." This statement is disingenuous. It is true that the original intent of the MOU and sale was to get the PVP School District to agree not to sell parkland. But If the City had accepted the Ruling, they would have had two court cases and a specific ruling that prevents the PVPUSD from selling parkland. Obviously, the City wants to retain the ability to sell parkland or why else would they be fighting to have the ruling overturned?

To read the ruling from the Appellate Court and form your own conclusions, **click here.** For CEPC's Press Release on the Ruling, **click here.** For all of the documents, court filings, newspaper articles, photos and more, see <u>www.pveopenspace.com</u>.

Respectfully,

John Harbison

Citizens for Enforcement of Parkland Covenants