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E-Filed 5/20/2010

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

HOHBACH REALTY COMPANY LIMITED
PARTNERSHIP,

Plaintiff,

v.

CITY OF PALO ALTO, a municipal corporation,
and STEPHEN EMSLIE, an individual,

Defendant.

Case No. 10-339-JF (PVT)

ORDER¹ GRANTING DEFENDANT'S
MOTION TO DISMISS

[re: document no. 16]

Defendant City of Palo Alto ("City") moves to dismiss Plaintiff's first amended complaint pursuant to Fed. R. Civ. P. 12(b)(1) and 12(b)(6). Defendant Stephen Emslie ("Emslie") joins the motion. The Court has considered the moving and responding papers and the oral arguments of counsel presented at the hearing on April 30, 2010. For the reasons discussed below, the motion will be granted, with leave to amend.

I. BACKGROUND

Plaintiff Hohbach Realty Company Limited Partnership is the owner of real property

¹ This disposition is not designated for publication in the official reports.

1 located within Palo Alto and identified as Assessor’s Parcel Nos. 132-32-003, 132-32-004, and
2 132-32-052 (the “Project Land”). First Amended Complaint (“FAC”) ¶ 4. The ground water
3 underlying the Project Land is contaminated with volatile organic compounds from cleaning
4 solvents used by the semiconductor industry. FAC ¶ 45. This contamination is known as the
5 “HP Plume”. *Id.* Plaintiff desires to develop the Project Land by constructing a mixed-use
6 project, including a multi-story building with an underground parking garage, research and
7 development space on the ground floor, and residential apartments on the remaining floors. FAC
8 ¶ 9. Plaintiff’s original application for city approval of the development was denied because of
9 the size of the proposed building. *Id.* To allow for a more streamlined application process,
10 Plaintiff voluntarily altered its development plan, down-sizing the proposed building (the
11 “Project”). FAC ¶ 10.

12 Within Palo Alto, a building permit cannot not be issued until a proposed project is
13 approved by the Palo Alto Architectural Review Board (the “ARB”). City’s RJN Ex. C, Palo
14 Alto Municipal Code (“PAMC”) § 18.76.020(b). To secure the advice of the ARB before
15 making a full application for approval, an applicant may apply to the ARB for a “preliminary
16 review”. PAMC § 18.76.020(c). Upon a full application for ARB approval, the ARB reviews
17 the application at a hearing. PAMC § 18.77.070(c)(1). After the hearing, the ARB makes a
18 recommendation to Palo Alto’s Planning Director, who may approve, approve with conditions, or
19 deny the application. PAMC §§ 18.77.070(c)(2) and (d)(1). If the ARB continues the hearing on
20 the application more than twice, the Director may make a decision without a recommendation by
21 the ARB. PAMC § 18.77.070(d)(4). An applicant may appeal the Director’s decision to the Palo
22 Alto City Council. PAMC § 18.77.070(f). The City Council’s decision is final. PAMC §
23 18.77.070(g).

24 The City must comply with the California Environmental Quality Act (“CEQA”), Cal.
25 Pub. Resources Code 21000 *et seq.* CEQA requires that, prior to approving a project, the City
26 must determine whether the proposed project will have an environmental impact of sufficient
27 magnitude to require the preparation of an Environmental Impact Report (“EIR”). Cal. Pub.
28 Resources Code § 21100(a). If the City determines that the project will not have a significant

1 environmental impact, the City may issue a “negative declaration”, and no EIR need be prepared.
2 Cal. Pub. Resources Code § 21064. If the City anticipates that the project will have a significant
3 environmental impact, but also determines that the impact can be mitigated by revisions to the
4 project, the City may issue a “mitigated negative declaration” (“MND”) which similarly
5 eliminates the need for an EIR. Cal. Pub. Resources Code § 21064.5. The mitigating revisions
6 to the project must be either made or agreed to by the applicant. *Id.* CEQA requires that a
7 negative declaration or a mitigated negative declaration must be available for public review and
8 comment for at least twenty days. Cal. Pub. Resources Code § 21091(b). The City must review
9 and respond to each significant environmental issue raised by the comments. Cal. Pub.
10 Resources Code § 21091(d)(2)(B). An MND must be recirculated if it is substantially revised
11 after public notice is given. 14 C.C.R. § 15073.5.

12 On May 13, 2005, Plaintiff filed application number 05PLN-00175, seeking preliminary
13 review of the Project. FAC ¶ 15. The ARB was generally supportive. FAC ¶ 16. On August 4,
14 2005, Plaintiff filed application number 05PLN-00281, seeking full ARB review. FAC ¶ 17.
15 Plaintiff engaged in a series of discussions regarding the Project with the City staff. Emslie, who
16 then was the City’s Planning Director, opposed the Project, relying on the Pedestrian & Transit
17 Oriented Development Ordinance (the “PTOD Zoning Ordinance”) that had not yet been enacted.
18 FAC ¶¶ 21-22. Emslie did not permit his staff to complete an MND before the ARB hearing.
19 FAC ¶ 31. The ARB recommended approval of the Project despite the objections of Emslie and
20 his staff, FAC ¶¶ 29, 32, but Emslie denied the application for the same reasons provided in his
21 staff’s report to the ARB. FAC ¶ 34. Plaintiff appealed the decision to the City Council, FAC ¶
22 37, and Emslie prepared an MND for public comment only after Plaintiff had filed its appeal.
23 FAC ¶ 40. The MND, which was circulated from November 1 to November 20, included a
24 provision that would have required Plaintiff to comply with the PTOD Zoning Ordinance. FAC
25 ¶ 41.

26 On November 20, 2006, the City Council approved the project, subject to a condition that
27 twenty percent of the residential units would be offered at “below market rent”. The City
28 Council also recommended approval of the MND with the exception of the provision referring to

1 the PTOD Zoning Ordinance. FAC ¶ 44. On the same date, the California Regional Water
2 Quality Control Board (“Water Board”) commented on the MND, noting that volatile organic
3 compounds had been found in the soil of the Project Land. FAC ¶ 45. Without informing either
4 Plaintiff or the City Council, Emslie amended the MND to incorporate this comment. FAC ¶ 46.
5 On December 11, 2006, the City Council adopted the revised MND without recirculating it.
6 FAC ¶¶ 46-47.

7 On January 18, 2007, an association called Citizens For Upholding Zoning Regulations
8 filed a complaint in the Santa Clara Superior Court challenging the City Council’s decision.
9 FAC ¶ 48. On February 8, 2007, while that litigation was pending, Plaintiff applied for a
10 building permit. FAC ¶ 49. In July of 2007, Plaintiff received a demolition permit allowing it to
11 demolish several preexisting buildings on the Project Land “so as to clear the site for excavation
12 and further soil testing”. FAC ¶ 50. All of the structures were demolished in August 2007. *Id.*

13 On September 10, 2007, the Superior Court concluded that the MND had been
14 substantially revised without recirculation for public notice and that the City’s failure to
15 recirculate the MND was a violation of CEQA. City’s RJN Ex. A at 3:22-25. The Superior
16 Court “reversed” the City’s approval of the Project based on the MND, and the City was “ordered
17 to recirculate the MND in its final form for public comment, or otherwise comply with CEQA”.
18 City’s RJN Ex. A at 4:2-4. On October 9, 2007, the Superior Court issued a peremptory writ of
19 mandate, ordering that the City:

- 20 1. Set aside its decision approving and adopting a Mitigated Negative Declaration
21 (“MND”) for [the Project]. This approval is remanded to [the City] which is
22 hereby ordered to recirculate the MND in its final form for public comment, or
23 otherwise comply with the California Environmental Quality Act (“CEQA”). . . .
- 24 2. Set aside its Action No. 2006-10 Record of the Council of the City of Palo Alto
25 Land Use Action For [the Project]: 05PLN-00281 (Court House Plaza Company,
26 Applicant) making findings in connection with its approval of [the Project] under
27 CEQA. This Action No. 2006-10 is remanded to [the City] for reconsideration.
- 28 3. Set aside in its entirety its decision to approve [the Project].

City’s RJN Ex. B at 7 (2:6-17). The Superior Court stated specifically that “this Court does not
direct [the City] to exercise its lawful discretion in any particular way”. *Id.* at 8 (3:3-4).

After the Superior Court issued the writ, Emslie wrote letter to Plaintiff directing it to

1 “submit a new application and fee to the Planning Department” in order to seek approval of the
2 Project. FAC ¶ 59. Plaintiff disputes that the Superior Court’s writ requires the submission of a
3 new application. Plaintiff made several unsuccessful proposals to the City Council that
4 addressed the issue of whether a new application was necessary to pursue approval of the Project.
5 FAC ¶ 69.

6 In or about August 2008, Emslie assumed new duties in the City Manager’s office, and
7 Curtis Williams (“Williams”) became the interim Planning Director. FAC ¶ 73. Williams
8 indicated that he would support the Project if Plaintiff filed a new application. FAC ¶ 74. Under
9 protest, Plaintiff did file a new application, number 08PLN-00295, and made revisions to the
10 Project based on Williams’s recommendations. FAC ¶¶ 75-76. A new MND was prepared and
11 circulated in April 2009. FAC ¶ 79. The Water Board again submitted comments, stating that an
12 undiscovered source of contamination may exist on the Project Land. FAC ¶ 80. In response,
13 the City recommended that Plaintiff include a new mitigating measure: a full vapor barrier at a
14 cost of over \$500,000. *Id.* The City has approved other development projects similarly situated
15 to the HP Plume without requiring this additional mitigation measure. FAC ¶ 95. Nonetheless,
16 Plaintiff agreed to include the barrier under protest. *Id.* The MND was revised once again and
17 recirculated from November 2, 2009 to December 1, 2009. FAC ¶ 81. The new application was
18 set for an ARB hearing on December 3, 2009. FAC ¶ 82. However, the City’s planning staff
19 informed the ARB that the Project required certain variances and it was not recommending
20 approval of those variances. *Id.* Based on this information, the ARB continued the hearing to “a
21 date uncertain.” FAC ¶ 83.

22 On January 25, 2010, Plaintiff filed the instant action, alleging inverse condemnation and
23 violations of its substantive and procedural due process rights under the Constitution. On March
24 5, 2010, the City moved to dismiss. Instead of opposing that motion, Plaintiff filed the operative
25 FAC, deleting its inverse condemnation and procedural due process claims and adding a new
26 claim alleging violation of its Constitutional right to equal protection of the law. The instant
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28

1 motion was filed on April 5, 2010.²

2 II. MOTION TO DISMISS

3 Pursuant to Fed. R. Civ. P. 12(b)(1), the City moves to dismiss Plaintiff’s claims
4 regarding substantive due process and equal protection under the law, arguing that the Court
5 lacks subject matter jurisdiction because these claims are not ripe for adjudication. Pursuant to
6 Fed. R. Civ. P. 12(b)(6), the City also moves to dismiss Plaintiff’s claim regarding substantive
7 due process for failing to state a claim upon which relief can be granted, arguing that Plaintiff
8 does not hold a vested property interest that is protected by the Constitution.³

9 A. Legal Standard

10 “Like other challenges to a court’s subject matter jurisdiction, motions raising the
11 ripeness issue are treated as brought under Rule 12(b)(1)”. *St. Clair v. Chico*, 880 F.2d 199, 201
12 (9th Cir. 1989). “In support of a motion to dismiss under Rule 12(b)(1), the moving party may
13 submit ‘affidavits or any other evidence properly before the court It then becomes necessary
14 for the party opposing the motion to present affidavits or any other evidence necessary to satisfy
15 its burden of establishing that the court, in fact, possesses subject matter jurisdiction.’” *Id.*
16 (quoting *St. Clair v. City of Chico*, 880 F.2d 199, 201 (9th Cir. 1989). “The district court
17 obviously does not abuse its discretion by looking to this extra-pleading material in deciding the
18 issue, even if it becomes necessary to resolve factual disputes.” *St. Clair*, 880 F.2d at 201. “For
19 purposes of ruling on a motion to dismiss for want of standing, both the trial and reviewing
20 courts must accept as true all material allegations of the complaint, and must construe the
21 complaint in favor of the complaining party.” *Tyler v. Cuomo*, 236 F.3d 1124, 1131 (9th Cir.
22 2000) (quoting *Graham v. FEMA*, 149 F.3d 997, 1001 (9th Cir. 1998). “A complaint should not
23 be dismissed unless it appears beyond doubt that the plaintiff can prove no set of facts in support

24
25 ² The instant motion addresses only the FAC. The City’s motion to dismiss the original
26 complaint will be denied as moot.

27 ³ The City also moves to dismiss any state law claims for relief that Plaintiff may be
28 asserting in connection with the first claim in the FAC, which seeks an injunction. In its
opposition papers, Plaintiff agreed that the FAC does not assert any claims under state law.
Plaintiff’s Opp’n at 13:10-12. Accordingly, the Court does not address this aspect of the motion.

1 of the claim that would entitle it to relief.” *Colwell v. Department of Health and Human*
2 *Services*, 558 F.3d 1112, 1121 (9th Cir. 2009) (quoting *Daniel v. County of Santa Barbara*, 288
3 F.3d 375, 380 (9th Cir. 2002).

4 “Dismissal under Rule 12(b)(6) is appropriate only where the complaint lacks a
5 cognizable legal theory or sufficient facts to support a cognizable legal theory.” *Mendiondo v.*
6 *Centinela Hosp. Med. Ctr.*, 521 F.3d 1097, 1104 (9th Cir. 2008). For purposes of a motion to
7 dismiss, the plaintiff’s allegations are taken as true, and the court must construe the complaint in
8 the light most favorable to the plaintiff. *Jenkins v. McKeithen*, 395 U.S. 411, 421 (1969). “To
9 survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true,
10 to ‘state a claim to relief that is plausible on its face.’ A claim has facial plausibility when the
11 plaintiff pleads factual content that allows the court to draw the reasonable inference that the
12 defendant is liable for the misconduct alleged.” *Ashcroft v. Iqbal*, 129 S.Ct. 1937, 1949 (2009)
13 (citing *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 556, 570 (2007)). Thus, a court need not
14 accept as true conclusory allegations, unreasonable inferences, legal characterizations, or
15 unwarranted deductions of fact contained in the complaint. *Clegg v. Cult Awareness Network*,
16 18 F.3d 752, 754-755 (9th Cir. 1994).

17 Leave to amend must be granted unless it is clear that the complaint’s deficiencies cannot
18 be cured by amendment. *Lucas v. Dep’t of Corr.*, 66 F.3d 245, 248 (9th Cir. 1995). When
19 amendment would be futile, however, dismissal may be ordered with prejudice. *Dumas v. Kipp*,
20 90 F.3d 386, 393 (9th Cir. 1996).

21 **B. Documents considered**

22 The City has requested judicial notice of the Superior Court’s Order Re: Petition for Writ
23 of Mandate and Complaint for Relief, Judgment Granting Peremptory Writ of Mandate, and
24 Peremptory Writ of Mandate. This request will be granted. *United States ex rel. Robinson*
25 *Rancheria Citizens Council v. Borneo, Inc.*, 971 F.2d 244, 248 (9th Cir. 1992) (concluding that a
26 court “may take notice of proceedings in other courts, both within and without the federal
27 judicial system, if those proceedings have a direct relation to matters at issue.” (quoting *St. Louis*
28 *Baptist Temple, Inc. v. FDIC*, 605 F.2d 1169, 1172 (10th Cir. 1979)). The City also requests

1 judicial notice of Sections 18.76.020 and 18.77.070 of its Municipal Code. This request also will
2 be granted. *See N. County Cmty. Alliance, Inc. v. Salazar*, 573 F.3d 738, 746 n.1 (9th Cir. 2009)
3 (taking judicial notice of a local ordinance, noting that it was available to the public). Finally,
4 the City requests judicial notice of a letter from Emslie to Plaintiff and a planning staff report to
5 the ARB related to application number 08PLN-00295. Because the Court has not considered
6 these documents in determining the instant motion, this aspect of the City’s request will be
7 denied as moot.

8 **C. Ripeness**

9 “In land use challenges, the doctrine of ripeness is intended to avoid premature
10 adjudication or review of administrative action. It rests upon the idea that courts should not
11 decide the impact of regulation until the full extent of the regulation has been finally fixed and
12 the harm cause by it is measurable.” *Herrington v. County of Sonoma*, 834 F.2d 1488, 1494 (9th
13 Cir. 1987). In *Williamson County Regional Planning Commission v. Hamilton Bank*, 473 U.S.
14 172 (1985), the Supreme Court set forth a two-prong ripeness test for federal takings claims.
15 First, a takings claim “is not ripe until the government entity charged with implementing the
16 regulations has reached a final decision regarding the application of the regulations to the
17 property at issue.” *Williamson*, 473 U.S. at 186. The Supreme Court reasoned that the claim
18 “cannot be evaluated until the administrative agency has arrived at a final, definitive position
19 regarding how it will apply the regulations at issue to the particular land in question.” *Id.* at 191.
20 Second, a takings claim is not ripe until the property owner has availed itself of the available
21 procedures for seeking just compensation for the taking. *Id.* at 195. This is because “[t]he Fifth
22 Amendment does not proscribe the taking of property; it proscribes taking without just
23 compensation.” *Id.* at 194.

24 Though Plaintiff has deleted its takings claim from the FAC, the Ninth Circuit has
25 concluded that parts of the *Williamson* ripeness test also apply at least in some instances to due
26 process and equal protection claims. The parties appear to agree that the second prong of the
27 *Williamson* test does not apply to claims other than takings claims. “Takings that involve
28 violations of due process may therefore be unconstitutional, ‘notwithstanding any available

1 compensation.” *N. Pacifica LLC v. City of Pacifica*, 526 F.3d 478, 485 (9th Cir. 2008) (quoting
2 *S. Pac. Transp. Co. v. City of Los Angeles*, 922 F.2d 498, 507 n.11 (9th Cir. 1990)).

3 However, the Ninth Circuit has applied *Williamson’s* first prong to claims for violations
4 of due process and equal protection if the claims are sufficiently related to a takings claim. *See*
5 *Southern Pacific Transp. Co. v. Los Angeles*, 922 F.2d 498, 507 (9th Cir. Cal. 1990) (concluding
6 that “[a]ll as-applied challenges to regulatory takings, whether based on the just compensation
7 clause, the due process clause or the equal protection clause, possess the same ripeness
8 requirement: a final determination by the relevant governmental body.”); *Herrington v. County of*
9 *Sonoma*, 834 F.2d 1488, 1494 (9th Cir. 1987), *overruled on other grounds by Nitco Holding*
10 *Corp. v. Boujikian*, 491 F.3d 1086, 1089 (9th Cir. 2007) (applying the final decision requirement
11 to a substantive due process claim alleging irrational, arbitrary, and capricious decisions that
12 were unsupported by the evidence and an equal protection claim based on different treatment of
13 similarly situated developers); *Norco Constr., Inc. v. King County*, 801 F.2d 1143, 1145 (9th Cir.
14 1986) (concluding that “under federal law the general rule is that claims for inverse taking, and
15 for alleged related injuries from denial of equal protection or denial of due process by
16 unreasonable delay or failure to act under mandated time periods, are not matured claims until
17 planning authorities and state review entities make a final determination on the status of the
18 property.”). Here, the parties dispute both whether the final determination requirement is
19 applicable and whether there has been a final determination.

20 **1. Applicability of the final determination requirement**

21 As discussed above, the Ninth Circuit has applied the final determination requirement at
22 least to some claims under substantive due process or equal protection when the claims
23 essentially present a takings claim under a different label. In *Herrington*, the plaintiffs owned a
24 plot a land and sought to develop a residential subdivision. 834 F.2d at 1494. They worked with
25 the municipal planning staff to produce an acceptable proposal. Although the planning staff
26 previously had given no indication that the final version of the proposal was unacceptable, the
27 proposal was denied upon submission. The plaintiffs appealed to the County’s Planning
28 Commission. At the appeal hearing, the planning staff presented a report that allegedly contained

1 misrepresentations of fact and law. The Planning Commission nonetheless reversed the staff's
2 decision and approved the proposal. Planning Commission's decision then was appealed to the
3 County Board of Supervisors. After more allegedly misleading information was presented to the
4 Board of Supervisors, the proposal was denied. The plaintiffs filed suit, alleging a violation of
5 their substantive due process rights by the "irrational, arbitrary, and capricious" denial of their
6 proposal. *Id.* The plaintiffs also alleged a violation of their right to equal protection because the
7 municipality approved similarly situated subdivision proposals within two years of denying their
8 own proposal. *Id.* Citing to *Kinzli v. City of Santa Cruz*, 818 F.2d 1449 (9th Cir. 1987), the
9 court concluded that *Williamson* final determination requirement applied to both the substantive
10 due process and the equal protection claims. *Herrington*, 834 F.2d at 1495.

11 Plaintiff's allegations in the instant case are quite similar. Plaintiff's substantive due
12 process claim is predicated on allegedly "arbitrary and unreasonable" conduct, FAC ¶ 92, and its
13 equal protection claim is predicated on the approval of similarly situated projects without
14 requiring a \$500,000 vapor barrier. FAC ¶ 95. This Court concludes that the final
15 determination requirement applies to both claims.

16 Plaintiff relies upon a line of cases following *Crown Point Development, Inc. v. City of*
17 *Sun Valley*, 506 F.3d 851 (9th Cir. 2007). Before *Crown Point*, the Ninth Circuit had concluded
18 that "any challenge to land use regulation on substantive due process grounds was precluded by
19 the Takings Clause." *N. Pacifica*, 526 F.3d at 484 (citing *Armendariz v. Penman*, 75 F.3d 1311
20 (9th Cir. 1996)). However, the Supreme Court's decision in *Lingle v. Chevron U.S.A. Inc.*, 544
21 U.S. 528, 542 (2005), "'pull[ed] the rug out from under' *Armendariz* and . . . recognized possible
22 bases for a substantive due process claim." *N. Pacifica*, 526 F.3d at 484 (quoting *Crown Point*,
23 506 F.3d at 855-56) (brackets in the original). While *Crown Point* and its progeny recognized
24 that a plaintiff may bring a substantive due process claim in situations in which the Takings
25 Clause also may apply, the cases do not stand for the general proposition that the *Williamson*
26 ripeness test does not apply.

27 **2. Whether there has been a final determination**

28 Without conceding that the final determination requirement applies, Plaintiff argues that

1 the City’s refusal to reconsider application number 05PLN-00281 and its demand for a new
2 application did constitute the final determination to deny application number 05PLN-00281. The
3 City disagrees, contending that its final determination on application number 05PLN-00281 was
4 to *grant* the application and that decision was overturned by the Superior Court, not by the City.
5 The City construes the Superior Court’s peremptory writ of mandate as requiring Plaintiff to
6 submit an entirely new application for the Project. In order to resolve this dispute, this Court
7 must determine the bounds of the Superior Court’s writ.

8 This Court agrees with Plaintiff that nothing in the Superior Court’s writ required
9 Plaintiff to submit a new application. This conclusion, however, does not mean that there has
10 been an actual final determination affecting Plaintiff’s property rights. The Superior Court
11 explicitly did not direct the City “to exercise its lawful discretion in any particular way.” City’s
12 RJN Ex. B at 8 (3:3-4). In particular, the Superior Court did not direct the City to deny
13 application number 05PLN-00281, nor did the Superior Court itself order that the application be
14 denied. Instead, the Superior Court ordered the City to “set aside in its entirety its decision to
15 approve [the Project]”, *remanded* for further proceeding with respect to the MND, and ordered
16 the City to “*recirculate* the MND in its final form for public comment, or otherwise comply with
17 [CEQA].” City’s RJN Ex. B at 7 (2:6-17) (emphasis added). Moreover, the writ required that the
18 City:

19 [s]et aside its Action No. 2006-10 Record of the Council of the City of Palo Alto Land
20 Use Action For [the Project]: *05PLN-00281* (Court House Plaza Company, Applicant⁴)
21 making findings in connection with its approval of [the Project] under CEQA. This
22 Action No. 2006-10 is *remanded* to [the City] for *reconsideration*.

23 *Id.* (emphasis added). Plaintiff’s second application had not been filed at the time the writ
24 issued. If the writ had resulted in a final determination that somehow voided or denied
25 application number 05PLN-00281, the City would not have had any application to reconsider and
26 there would have been nothing for the Superior Court to remand. As a result of the Superior
27 Court’s writ, application number 05PLN-00281 still was pending before the ARB.

28 Plaintiff alleges that the City’s steadfast refusal to reconsider application number 05PLN-

⁴ Court House Plaza Company is Plaintiff’s predecessor in interest.

1 00281 amounts to a final determination of the earlier application. However, the focus of the
2 *Williamson* ripeness test is not on any specific *application* for a land-use permit, but is on how a
3 municipality applies its regulations to the *property* at issue. Regardless of the City’s actions with
4 respect to the first application, there still is an application for the Project pending before the
5 ARB. Any differences between the first and second applications appear to be the result of
6 Plaintiff’s voluntary acquiescence to the City’s requests. Because an application is pending,
7 there has not been a final determination with respect to the Project or the Project Land. The City
8 may well approve the Project, as it did previously.

9 **3. Futility**

10 The Ninth Circuit recognizes a “‘futility exception’ to the threshold requirement of a final
11 decision. Under this exception, the requirement of the submission of a development plan is
12 excused if such an application would be an ‘idle and futile act.’” *Kinzli*, 818 F.2d at 1454 (citing
13 *Martino v. Santa Clara Valley Water Dist.*, 703 F.2d 1141, 1146 n.2 (9th Cir.)). However,
14 plaintiff “bear[s] the heavy burden of showing that compliance with local ordinances would be
15 futile”. *American Sav. & Loan Asso. v. County of Marin*, 653 F.2d 364, 371 (9th Cir. 1981).
16 Plaintiff alleges, in a conclusory fashion, that pursuing the second application would be a futile
17 exercise “in light of staff’s stated opposition” to the needed variances. FAC ¶ 83. Such
18 conclusory allegations need not be accepted. *Clegg*, 18 F.3d at 754-755. Plaintiff must allege
19 more than mere opposition to establish futility. The facts of the instant case themselves
20 demonstrate that staff’s determinations can be appealed successfully.

21 **III. CONCLUSION**

22 Plaintiff’s substantive due process and equal protection claims will be dismissed because
23 they are not ripe for adjudication. The Court does not reach the City’s argument that Plaintiff
24 lacks a vested interest in the property . Plaintiff’s claim for an injunction, which Plaintiff asserts
25 is based only on federal claims, also will be dismissed. While the dismissal is predicated on
26 ripeness grounds, leave to amend will be granted. Leave to amend must be granted unless it is
27 clear that the complaint’s deficiencies cannot be cured by amendment. *Lucas*, 66 F.3d at 248.
28 While the allegations in the FAC with respect to futility are insufficient, it is possible that

1 additional facts could remedy the deficiency. Because the status of Plaintiff's proposal remains
2 fluid, the Court will enlarge the time normally allowed for an amended pleading. Any such
3 pleading shall be filed and served within sixty (60) days of the date this order is filed.

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5 **IT IS SO ORDERED.**

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7 DATED: 5/12/2010

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JEREMY FOGEL
United States District Judge