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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES, NORTH LANCASTER**
10 **MICHAEL D. ANTONOVICH – ANTELOPE VALLEY COURTHOUSE**

12 CITY OF LANCASTER, a municipal
13 corporation,

14 Plaintiff,

15 vs.

16 HOUSING AUTHORITY OF THE COUNTY
17 OF LOS ANGELES, a public body corporate
and politic, and DOES 1-100,

18 Defendant.

CASE NO.

**COMPLAINT FOR:
BREACH OF CONTRACT;
BREACH OF COVENANT OF GOOD
FAITH AND FAIR DEALING; AND
DECLARATORY RELIEF**

22 Plaintiff, City of Lancaster (the “City”), alleges as follows:

23 For more than a decade the City experienced a population boom fueled by more and more
24 people choosing to live and raise their families in a city that has a cleaner environment, better
25 schools and more reasonable real estate prices than can be found most elsewhere in Southern
26 California. Part of the City’s population boom can be attributed to a massive influx of
27 individuals who receive rental assistance from the Housing Choice Voucher Program, also
28 known as the Section 8 Program, funded by the United States Department of Housing and Urban

1 Development and administrated locally by the Housing Authority of the County of Los Angeles
2 (“HACoLA”). Participants of the Section 8 Program come to the City, in part, because they are
3 able to get more house for their taxpayer funded Section 8 voucher. For instance, the same
4 taxpayer funded housing voucher that can be used to obtain a two-bedroom, one-bath apartment
5 in the Los Angeles Basin can be used in the City to obtain a three-bedroom, two-bath single
6 family home. This is due, in part, to the “market rental rates” for the City and surrounding areas
7 as determined by HACoLA, which unrealistically sets a higher rental rate for the City and
8 surrounding areas, resulting in a higher Section 8 voucher amount.

9
10 This influx of Section 8 participants has created a vast disparity within the Section 8
11 program. Recent statistics indicate that the City is home to fewer than two percent of the total
12 population of Los Angeles County, however, more than 15 percent of all individuals who receive
13 a Section 8 voucher administered by HACoLA live in the City; a disparity that continues to
14 grow. For years HACoLA failed to adequately enforce the rules of the Section 8 Program, rules
15 that include, no felons or parolees having their rent paid for through the Section 8 Program, no
16 sub-letting of a rental property by a Section 8 participant who is having their rent paid for by
17 taxpayers and no stealing from the taxpayers and other individuals who desperately need Section
18 8 assistance by misstating or concealing one’s income in order to qualify for the program. For
19 years, HACoLA and the County of Los Angeles (“County”) ignored the City’s pleas for balance
20 in the Section 8 Program and refused to provide the much needed resources to respond to the
21 increase in crime that followed the increase in the number of Section 8 participants living in the
22 City and the drain on limited local resources to service a population who require government
23 assistance to pay their rent. However, in 2004 Supervisor Antonovich, local County leaders and
24 HACoLA finally agreed to address the issues faced by the City and did so through a simple and
25 effective idea - strictly enforce the rules of the Section 8 program. In order to put this plan into
26 effect, the City and HACoLA entered into a contract whereby the City would pay HACoLA half
27 of the cost associated with hiring a new HACoLA investigator who would work only within the
28 City to ensure that the rules of the Section 8 Program were followed. In return, HACoLA would

1 hire, train, supervise and have complete control over this new investigator. This program proved
2 to be extremely successful in combating the problems associated with the Section 8 Program in
3 the City. In fact, the program was so successful that HACoLA and the City renewed the contract
4 for and increased the number of dedicated HACoLA's investigators within the City, until June of
5 2011.

6
7 In June of 2011, a group of individuals calling themselves the Community Action
8 League, along with an army of lawyers, threatened to sue the County, HACoLA and the City.
9 This group complained that the actions of the investigators, hired by and controlled by HACoLA,
10 to clean up the Section 8 Program were, in their opinion, racially discriminatory simply because
11 the Section 8 Program was predominately made up of individuals who were of African-
12 American or Latino descent. In response to these unfounded allegations the County and
13 HACoLA turned their back on the City. HACoLA immediately suspended all investigations that
14 would have been conducted pursuant to its contract with the City, later refused to extend or
15 renew the contract and agreed to settle the allegations before even being sued. HACoLA's
16 settlement included a payment of \$300,000 of attorneys' fees to the law firms that had made the
17 unfounded allegations. Moreover, HACoLA agreed that it would no longer have a dedicated
18 investigator working within the City and would instead rely on two overworked investigators
19 who were responsible for HACoLA's program countywide.¹ As a final act of betrayal,
20 HACoLA, despite hiring, supervising and controlling the HACoLA employee investigators,
21 falsely told the Community Action League, and its army of lawyers, that the City was actually to
22 blame for all of the allegedly bad acts perpetrated by HACoLA's investigators. In an ironic
23 twist, HACoLA's betrayal provided further evidence that the City is suffering from its
24 overwhelming Section 8 population because almost immediately after HACoLA terminated its
25 contract with the City and fired the investigators, without cause, crime in the City increased.
26 Based on the statistical evidence available to the City, ten percent of all arrests within the City is

27
28 ¹ In addition to the countywide investigators employed by HACoLA, the City is informed and believes and thereon
alleges that HACoLA, through contracts similar to the contract at issue herein, has provided and continues to
provide dedicated housing investigators in the cities of Bellflower and Paramount.

1 connected to a Section 8 property. However, only four to five percent of the City's households
2 participate in the Section 8 Program.

3
4 By these acts of betrayal, HACoLA breached its contract with the City and forced the
5 City to incur significant attorneys' fees and costs to defend against claims that HACoLA helped
6 to feed by its lies and settlement funding. As a result of these actions, the City has been forced to
7 incur significant monetary costs as well as suffer from the effects of a Section 8 Program left
8 unmonitored and abandoned in the City and surrounding areas, as HACoLA and the County have
9 virtually ceased program compliance and enforcement operations within the City.

10
11 **I. PARTIES AND JURISDICTION**

12 1. The City is now, and at all times herein mentioned was, a municipal corporation
13 duly organized and existing under the Constitution and laws of the State of California.

14
15 2. The City is informed and believes, and on that basis alleges, the following: (1)
16 that defendant the Housing Authority of the County of Los Angeles ("HACoLA") is, and at all
17 times herein mentioned was, a public body corporate and politic, operating within the County of
18 Los Angeles; (2) the HACoLA is, and at all times herein mentioned was, the designee of the
19 United States Department of Housing and Urban Development ("HUD") in Los Angeles County
20 to administer both the Section 8 Housing Choice Voucher ("Section 8") and Public Housing
21 programs and; (3) the Los Angeles County Board of Supervisors ("Board of Supervisors") serves
22 as the Board of Commissioners for the HACoLA.

23
24 3. The City is unaware of the true names and capacities of defendants Does 1
25 through 100, inclusive and, therefore, sues these defendants by such fictitious names. The City
26 will amend its complaint to allege their true names and capacities when they are ascertained.
27 The City is informed and believes, and thereon alleges, that each of the fictitiously named
28 defendants is responsible and liable in some manner for the occurrences herein alleged and that

1 its damages as herein alleged were proximately caused by such defendants. Reference to the
2 term "Defendants" hereinafter shall mean HACoLA and Does 1 through 100, unless otherwise
3 indicated.

4 **II. VENUE**

5 4. Venue is properly placed in this court because the Defendants are located within
6 the County of Los Angeles, the contract at issue herein was made and to be performed in the
7 County of Los Angeles within the North District of the Superior Court of the State of California
8 for the County of Los Angeles and the obligations or liabilities under the contract arose in the
9 County of Los Angeles within the North District of the Superior Court of the State of California
10 for the County of Los Angeles.

11
12 **III. FACTS COMMON TO ALL CAUSES OF ACTION**

13 **A. Memorandum of Understanding By and Between HACoLA and the City.**

14 5. On or about November 4, 2004, the City and HACoLA entered into a
15 Memorandum of Understanding whereby HACoLA agreed to provide additional investigative
16 services for the Section 8 Program administered by HACoLA within the City and adjacent
17 unincorporated areas of the County of Los Angeles. In return, the City agreed to pay a portion of
18 the costs associated with the additional investigative services. Thereafter, Amendments to the
19 existing Memorandum of Understanding and/or new Memoranda of Understanding were
20 executed by and between HACoLA and the City on approximately an annual basis. This practice
21 of executing an Amendment to the existing Memorandum of Understanding and/or a new
22 Memorandum of Understanding continued until June 21, 2011, when the Board of Supervisors
23 voted to continue consideration of a new Memorandum of Understanding between the City and
24 HACoLA until the expiration of a 90-day moratorium put in place by the Board of Supervisors.
25 After the expiration of the 90-day moratorium, the Board of Supervisors voted not to approve a
26 new Memorandum of Understanding between the City and HACoLA.

1 6. The Memorandum of Understanding at issue herein was executed by and between
2 HACoLA and the City on or about July 8, 2008 (“2008 MOU.”) The 2008 MOU was effective
3 from July 8, 2008 through June 30, 2009. On or about July 1, 2009 the City and HACoLA
4 executed Amendment No. 1 thereby extending the effective date of the 2008 MOU to June 30,
5 2010, making certain amendments to the 2008 MOU and keeping all other terms and conditions
6 contained therein in force and effect (“2009 MOU.”) On or about July 1, 2010 the City and
7 HACoLA executed Amendment No. 2 thereby extending the effective date of the 2008 MOU to
8 June 30, 2011, making certain amendments to the 2008 MOU and keeping all other terms and
9 conditions contained therein in force and effect (“2010 MOU”) (2008 MOU, as amended by the
10 2009 MOU and 2010 MOU are hereinafter collectively referred to as the “MOU.”) A true and
11 correct copy of the MOU is attached hereto as Exhibit A and incorporated herein by reference.

12
13 The MOU contains the following pertinent provision:

14
15 “7. Indemnification
16 [HACoLA] shall be responsible for and shall defend and hold harmless and
17 indemnify the City, its elected and appointed officials, employees and agents
18 from all costs and claims for damages whatsoever by any third party relating to
19 or resulting from the actions of [HACoLA], its agents, employees and
20 investigators, in relation to the rendition of services pursuant to this MOU.”
21 (MOU, Pg. 5.)

22
23 **B. Community Action League, et. al. v. City of Lancaster, et. al. Litigation**

24
25 7. On June 7, 2011, an action entitled *The Community Action League, et. al. v. City*
26 *of Lancaster, et. al.* was filed in the United States District Court – Central District of California,
27 case no. 11-CV-4817-ODW-VBK (“*Community Action League*”). The plaintiffs in *The*
28 *Community Action League* action allege various causes of action for violation of the United

1 States Constitution, California Constitution and federal and state statutes. Plaintiffs' allegations
2 in the *Community Action League* litigation were based upon and concerned actions taken by
3 HACoLA, its agents, employees and investigators in relation to the rendition of services pursuant
4 to the MOU. Notably, despite HACoLA's responsibility for the actions alleged therein,
5 HACoLA was not named as a defendant when the *Community Action League* litigation was filed.

6
7 8. After being served with *The Community Action League* litigation, the City, on or
8 about August 25, 2011, served the Board of Supervisors, pursuant to Los Angeles County Code
9 section 4.04.010 *et seq.*, with notice of that litigation and demanded that HACoLA and/or the
10 County of Los Angeles provide the City with a defense to that litigation pursuant to the MOU
11 ("August 25th Claim"). A true and correct copy of the City's August 25th Claim is attached
12 hereto as Exhibit B and incorporated herein by reference.

13
14 9. To date, neither HACoLA, the County of Los Angeles, nor any other person or
15 entity has discussed with the City or the City's legal counsel the City's August 25th Claim, met
16 with the City or the City's legal counsel concerning the City's August 25th Claim or, to the
17 City's knowledge, provided a written response to the City's August 25th Claim.

18
19 10. On or about January 24, 2012, the Board of Supervisors approved a settlement
20 agreement between HACoLA and the Los Angeles Sheriff's Department and the plaintiffs in the
21 *Community Action League* litigation. At the time the Board of Supervisors approved the
22 settlement with the plaintiffs in the *Community Action League* litigation, neither HACoLA nor
23 the Los Angeles Sheriff's Department were a defendant therein. Indeed, it was only after the
24 settlement agreement was approved by the Board of Supervisors in closed session and with no
25 notification or discussion with the City that the plaintiffs sought to simultaneously amend their
26 complaint to name both HACoLA and the Los Angeles Sheriff's Department as defendants and
27 immediately dismiss both entities upon approval of the settlement by the Court.

1 11. The City is informed and believes and on that basis alleges that despite having
2 actual knowledge of the claims alleged against the City in the *Community Action League*
3 litigation and of the duty to defend the City against those claims, Defendants intentionally
4 excluded the City from the settlement discussions between themselves and the plaintiff therein.
5 Indeed, the City is informed and believes and on that basis alleges that the Defendants made
6 numerous false statements to the plaintiffs in the *Community Action League* litigation concerning
7 the involvement and liability of the City for actions taken by HACoLA, its agents, employees
8 and/or investigators in relation to the rendition of services pursuant to the MOU. Moreover,
9 HACoLA and the Los Angeles Sheriff’s Department explicitly agreed, as part of the settlement
10 agreement, to cooperate with the plaintiffs in their prosecution of the *Community Action League*
11 litigation against the City.

12
13 12. As a result of HACoLA’s and the Los Angeles Sheriff’s Department’s settlement
14 in the *Community Action League* litigation, those claims alleged against the City concerning the
15 actions of HACoLA, its agents, employees and/or investigators in relation to the rendition of
16 services pursuant to the MOU were dismissed. Notwithstanding, the City was forced to incur
17 and continues to incur significant costs and attorneys’ fees in connection with and defense of
18 those claims.

19
20 13. Despite their duty to do so and demand by the City, Defendants failed and refused
21 to provide the City with a defense to the *Community Action League* litigation, resulting in
22 damage to the City.

23
24 **C. The Department of Justice Investigation.**

25 14. In addition to the *Community Action League* litigation, the City was notified by
26 letter dated June 14, 2011 that the Civil Rights Division of the United States Department of
27 Justice (the “DOJ”) had initiated an investigation concerning the administration and enforcement
28

1 of the Section 8 program in the City and surrounding areas (the “DOJ Investigation.”) The focus
2 of the DOJ Investigation was the actions of HACoLA, its agents, employees and/or investigators
3 in relation to the rendition of services pursuant to the MOU and the actions of the Los Angeles
4 Sheriff’s Department with respect to the Section 8 program in the City and surrounding areas.

5
6 15. The City is informed and believes and on that basis alleges that the Defendants
7 were aware of and participated in the DOJ Investigation. Furthermore, the City is informed and
8 believes and on that basis alleges that County Counsel for the County of Los Angeles (“County
9 Counsel”), acting on behalf of HACoLA, the Los Angeles Sheriff’s Department and the County
10 of Los Angeles, purposefully attempted to shift the DOJ Investigation away from those county
11 entities and the Defendants herein and focus it on the City. By way of example and without
12 limitation, County Counsel intentionally interfered with interviews conducted by the DOJ of City
13 staff and elected officials. Specifically, the DOJ requested and the City agreed to make certain
14 staff and elected officials available to DOJ representatives for voluntary interviews. At the time
15 the City agreed to these interviews it was unaware that County Counsel had contacted the DOJ
16 and was attempting to influence the DOJ Investigation. It was only after the voluntary
17 interviews had begun that the City became informed of the fact that County Counsel had
18 engaged the DOJ in detailed discussions concerning the interview of one or more City staff
19 members. In fact, County Counsel, without any prior discussion with or notification to the City,
20 agreed with the DOJ to attend and participate in the interview of on or more City staff members.
21 The City became informed of these actions and involvement of County Counsel by accident
22 when the City’s counsel was confirming the existence of adequate seating for the voluntary
23 interviews and learned, for the first time, of County Counsel’s involvement in the DOJ
24 Investigation.

25
26 16. The City has incurred and continues to incur significant costs and attorneys’ fees
27 in connection with the DOJ Investigation, including, but not limited to, responding to a request
28

1 for information and documents propounded by the DOJ and participation in interviews of City
2 staff and elected officials by DOJ representatives.

3
4 17. Despite their duty to do so and knowledge of, and participation in the DOJ
5 Investigation, the Defendants failed to provide the City with a defense to the DOJ Investigation
6 resulting in damage to the City in the form of significant costs and attorneys' fees.

7
8 **D. HUD Complaint and Investigation.**

9 18. In addition to the foregoing, the City received notice from HUD, on or about
10 July 7, 2011, that HUD had received a complaint from the California State Chapter of the
11 NAACP alleging that the City had engaged in one or more discriminatory housing practices
12 under the federal Fair Housing Act ("NAACP Complaint"). A copy of the NAACP Complaint,
13 attached to the notice from HUD, revealed that the allegations contained therein arose from the
14 actions of HACoLA, its agents, employees and/or investigators in relation to the rendition of
15 services pursuant to the MOU.

16
17 19. On or about June 12, 2012, the complainant formally withdrew the NAACP
18 Complaint. As a result, HUD's investigation of the NAACP Complaint with respect to the
19 actions taken by HACoLA, its agents, employees and/or investigators in relation to the rendition
20 of services pursuant to the MOU ended.

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22 20. However, before the withdrawal of the NAACP Complaint, the City is informed
23 and believes and on that basis alleges that the Defendants were aware of and participated in
24 HUD's investigation of the NAACP Complaint.

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SECOND CAUSE OF ACTION
(Breach of Covenant of Good Faith and Fair Dealing)
(Against All Defendants)

26. The City realleges and incorporates by reference paragraphs 1 through 21 and paragraphs 23 through 25 above as though fully set forth herein.

27. At all relevant times herein, Defendants assumed the duty of good faith and fair dealing with the City when they entered into the MOU and accepted payments from the City thereunder; a duty which existed at all times relevant to the allegations set forth above.

28. The Defendants breached their duty of good faith and fair dealing by taking the actions alleged above. Furthermore, the City is informed and believes and thereon alleges that in the absence of a reasonable basis for doing so, and with full knowledge and conscious disregard of the consequences, Defendants failed and refused to defend the City against the *Community Action League* litigation, the DOJ Investigation and the NAACP Complaint as required by the MOU.

29. Defendants engaged in a course of conduct designed to further their own economic, political and personal interests and in violation of their contractual and fiduciary obligations to the City pursuant to the MOU, including, but not limited to:

- a. Failing to act upon, or even reasonably address, the City’s demand that it be provided a defense to the *Community Action League* litigation;
- b. Intentionally excluding the City from participating in settlement negotiations with the plaintiffs in the *Community Action League* litigation;
- c. Making knowingly false statements to the plaintiffs in the *Community Action League* litigation concerning the City’s involvement in and liability for the actions taken by the

1 Defendants, their agents, employees and/or investigators in relation to the rendition of services
2 pursuant to the MOU in an effort to further the Defendants' interests at the expense of the City's
3 interests;

4 d. Entering into a settlement agreement with the plaintiffs in the *Community Action*
5 *League* litigation wherein HACoLA and the Los Angeles Sheriff's Department expressly agreed
6 to assist in the prosecution of that litigation against the City;

7 e. Making certain statements and claims, with disregard to the truthfulness of the
8 same, to the DOJ in an effort to shift the focus of the DOJ Investigation away from HACoLA,
9 the Los Angeles Sheriff's Department and County of Los Angeles to the City;

10 f. Intentionally engaging in a coordinated effort with the DOJ to surprise the City
11 with regard to the interview of one or more City staff members in an effort to further the
12 Defendants' interests at the expense of the City's interests; and

13 g. Other wrongful and illegal conduct according to proof at trial.

14
15 30. The City is informed and believes and thereon alleges that Defendants continue to
16 engage in the aforementioned acts, and said conduct and bad faith constitutes a continuing tort
17 and continuing bad faith, causing the City continuing damage beyond the date of the filing of this
18 action.

19
20 31. As a direct and proximate result of the aforementioned conduct of Defendants, the
21 City has been damaged and will be continued to be damaged in an amount to be proven at trial.

22
23 32. As a further direct and proximate result of the aforementioned conduct of
24 Defendants, the City has been obliged to expend or incur and will continue to expend or incur
25 money for costs of this suit, attorneys' fees, staff resources, and related expenses in an amount
26 not yet fully ascertained, but which will be proven at trial.

27
28

1 **THIRD CAUSE OF ACTION**

2 **(Declaratory Relief)**

3 **(Against All Defendants)**

4 33. The City realleges and incorporates by reference paragraphs 1 through 21,
5 paragraphs 23 through 15 and paragraphs 27 through 32 above as though fully set forth herein.

6
7 34. There is a present, actual, and justiciable controversy between the City and
8 Defendants in that:

9 (a) the City contends that it was and is entitled under the MOU to a defense of the
10 *Community Action League* litigation, DOJ Investigation and the NAACP Complaint from
11 Defendants and each of them and that Defendants have each breached the MOU, the covenant of
12 good faith and fair dealing, fiduciary duties owed to the City, and have failed and refused in bad
13 faith to defend the City as a result of the facts alleged hereinabove; and,

14 (b) the City is informed and believes, and on that basis alleges that Defendants, and each
15 of them, deny that any duty arising from or out of the MOU toward the City in connection with
16 the *Community Action League* litigation, DOJ Investigation and NAACP Complaint has been
17 breached, including the duty to defend the City, and further deny that they have breached any
18 duties or obligations imposed as a result of the MOU or by law, or that they have a duty to
19 defend or indemnify the City as alleged above.

20
21 36. The City seeks a declaration that the rights, duties and obligations of the parties
22 arising out of the MOU and the defense of the *Community Action League* litigation, DOJ
23 Investigation and NAACP Complaint, including a declaration that Defendants are obligated to
24 provide the City a defense in the *Community Action League* litigation, DOJ Investigation and
25 NAACP Complaint and that Defendants are obligated to pay costs of defense of those actions
26 already incurred by the City. A judicial declaration is necessary and appropriate at this time
27 because the City is currently incurring fees and costs in defending the above referenced actions
28 as well as making critical strategic decisions about its defense.

1 WHEREFORE, the City prays judgment against Defendants, and each of them, as
2 follows:

- 3
- 4 1. Compensatory damages in an amount to be proven at trial;
- 5 2. For costs of suit herein incurred;
- 6 3. For reasonable attorneys' fees as allowed by law;
- 7 4. For interest on the City's damages at the legal rate;
- 8 5. For a judgment requiring Defendants, and each of them, to reimburse the City for
9 the costs and attorneys' fees already incurred in and for a judgment directing the Defendants to
10 pay the costs and attorneys' fees to be incurred by the City in defense of the *Community Action*
11 *League* litigation, DOJ investigation and NAACP Complaint;
- 12 6. For a declaratory judgment declaring the rights and duties of the parties to this
13 action under the MOU entered into by and between the City and HACoLA, including a
14 declaration that defendants have a duty to provide a defense to the City in the *Community Action*
15 *League* litigation, DOJ Investigation, NAACP Complaint and any and all other claims alleged by
16 any third party arising from the actions of HACoLA, its agents, employees and investigators in
17 relation to the rendition of services pursuant to the MOU; and,
- 18 7. For such other and further relief as the Court deems just and proper.
- 19

20 DATED: August 10, 2012

STRADLING YOCCA CARLSON &
RAUTH
A Professional Corporation

21
22
23 By: 

David R. McEwen
Allison E. Burns
David C. Palmer
Richard A. Gonzalez

24
25
26 Attorneys for Plaintiff
The City of Lancaster

EXHIBIT "A"

**Memorandum of Understanding By and Between
The Housing Authority of the County of Los Angeles and the
City of Lancaster for Housing Program Investigative Services**

This Memorandum of Understanding ("MOU") is made and entered into this 8TH day of JULY, 2008, by and between the Housing Authority of the County of Los Angeles (the "Housing Authority") and the City of Lancaster (the "City").

Whereas, on August 21, 1978, and continuing, the Housing Authority and the City have entered into annual Cooperation Agreements whereby the Housing Authority administers the Housing Choice Voucher Program (Section 8) and other housing programs within the City (the "Programs"), pursuant to Title II of the Housing and Community Development Act of 1974, as amended, and Section 34200 et. seq. of the California Health and Safety Code; and

Whereas, the Housing Authority operates the Programs within the City using funds allocated by the U.S. Department of Housing ("HUD"), and monitors the compliance of participants with regulations established by HUD and the Housing Authority; and

Whereas, the Housing Authority on an ongoing basis performs investigations to ensure that participants comply with said regulations, and that participants are not involved in criminal or other activity that may negatively impact the Program; and

Whereas, on November 4, 2004, and continuing, the Housing Authority and the City have entered into agreements that have permitted the Housing Authority to perform investigative services within the City and the unincorporated Antelope Valley area of the County of Los Angeles (the "County"); and

Whereas, the Housing Authority and the City wish to enter into the following MOU to continue additional investigative services with funds provided by the County and the City;

NOW, THEREFORE, it is agreed between the parties as follows:

1. Investigative Activities

This MOU shall provide for additional investigative services to address criminal activity and other violations related to the Programs administered by the Housing Authority within the City and the unincorporated Antelope Valley area of the County.

City of Lancaster
MOU Between City and Housing Authority
Page 2 of 6

2. Term

This MOU shall commence as of the day and year first above written and shall remain in full force through June 30, 2009, unless sooner terminated as provided herein. The MOU may be renewed by written amendment duly executed by the parties, for an additional two years, in one-year increments.

3. Termination

This MOU may be terminated by either party with thirty (30) days' written notice transmitted to the addresses provided in Paragraph 6 below.

4. City Responsibilities

The City shall provide to the Housing Authority a total of \$116,340, to be used in conjunction with \$116,340 allocated by the County for the following personnel who shall perform services under this MOU:

Part-Time Investigator Supervisor (1) will supervise the work of the two part-time Investigators, as needed, at a total cost not exceeding \$8,000 for the twelve (12) month term.

Part-Time Investigators (2) will provide a total of 64 hours of investigative services per week (3,328 per year) at a total cost not exceeding \$160,000 for the twelve (12) month term.

Part-Time Analyst (1) will provide approximately 32 support hours per week (1,664 per year), at a total cost not exceeding \$50,000 for the twelve (12) month term, which includes start-up and overhead costs.

Part-Time Hearing Officer (1) will provide hearing services, as needed, of approximately 1-2 days per month, at a total cost not exceeding \$14,680 for the twelve month term.

The City shall make its staff available to the Housing Authority, as necessary to address Programs-related violations and criminal activity and to carry out corrective measures.

City of Lancaster
MOU Between City and Housing Authority
Page 3 of 6

The City warrants that all services performed by its employees under this MOU shall be carried out in accordance with all applicable federal, state and County laws and regulations.

The City shall receive from the Housing Authority quarterly invoices identifying the number of hours and description of investigative services performed.

5. Housing Authority Responsibilities

The Housing Authority shall recruit and retain the services of qualified persons to perform the services described in Paragraphs 4 and 5.

The Investigator Supervisor shall be an employee of the Housing Authority and shall perform the following: manage the daily operations of the fraud investigations program; supervise and schedule work assignments of the two Part-Time Investigators; serve as liaison to the City and the County Sheriff's Department; compile statistical data for monthly program reports; and perform other related duties.

The Investigators shall be employees of the Housing Authority and shall perform the following: conduct investigations of suspected violations of the Programs administered by the Housing Authority; gather information through interviewing witnesses, and reviewing files, public records and other documents; prepare written reports and maintain statistical activity logs; prepare cases involving Program violations for administrative action; prepare cases for civil or criminal action to document and recover subsidies received by participants based on fraud; testify in administrative and criminal hearings; participate in any Crime Prevention Task Force and Lancaster Community Appreciation Program; conduct fraud awareness training for law enforcement officers and other officials; prepare monthly reports on investigative activities for submission to the City; address quality of life issues and program regulation enforcement; and perform other related duties.

The Analyst shall be an employee of the Housing Authority and shall perform the following: create and maintain investigation files and compile information relevant to investigations, including the review and research of credit reports, public records and documents; analyze information to determine if fraud or program violations exist; interview clients or other involved parties, as appropriate; prepare investigation reports; recommend

City of Lancaster
MOU Between City and Housing Authority
Page 4 of 6

courses of action and remedies; schedule informal hearings and prepare hearing documents; represent the Housing Authority at informal hearings, as necessary; prepare status, financial and other reports; and perform other related duties.

The Hearing Officer shall be a contractor of the Housing Authority and shall perform the following: conduct reviews and hearings requested by the Housing Authority to consider grievances of program participants under investigation; create and provide to the Housing Authority digital recordings of reviews and hearings; provide recommendations on whether additional information is required to make final determinations; review testimony and evidence in each case, and make final recommendations to the Housing Authority; issue written decisions on each case; and perform other related duties.

The above personnel shall be under the supervision of the Housing Authority, and not under the supervision or training of the City. The Housing Authority warrants that all services performed by its investigators under this MOU shall be performed in compliance with all applicable federal, state and County laws and regulations.

The Housing Authority shall administer the funds provided by the City to conduct the services described above. All services to be provided by the Housing Authority are included within the quarterly sum to be paid by the City, and there shall be no additional cost to the City for services provided pursuant to this MOU. In the event of termination of the MOU, as provided herein, the City shall be responsible for all fees incurred through the effective date of termination.

The Housing Authority shall submit quarterly statements to the City identifying the number of hours provided, description of investigative services and associated costs. The City shall remit payment for the quarterly invoices within fifteen (15) days of receipt.

6. Notices

Notices provided for in this MOU shall be in writing and shall be addressed to the person intended to receive the same, at the following addresses:

City of Lancaster
MOU Between City and Housing Authority
Page 5 of 6

The Housing Authority: Carlos Jackson, Executive Director
The Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

The City: Mark Bozigian, City Manager
City of Lancaster
44933 North Fern Avenue
Lancaster, California 93534-2461

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. mail or when delivered in person with written acknowledgement of the receipt thereof. The Housing Authority and the City may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

7. Indemnification

The Housing Authority shall be responsible for and shall defend and hold harmless and indemnify the City, its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the Housing Authority, its agents, employees and investigators, in relation to the rendition of services pursuant to this MOU.

The City shall be responsible for and shall defend and hold harmless and indemnify the Housing Authority, the Community Development Commission and the County of Los Angeles, and its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the City arising out of or in connection with the services, work, operation or activities of the City, its agents, employees and officials, in relation to the rendition of services pursuant to this MOU.

City of Lancaster
MOU Between City and Housing Authority
Page 6 of 6

8. Entire Document

This MOU constitutes the entire understanding and agreement of the parties.

9. Authority

Each of the parties represents and warrants that the person entering into this MOU on behalf of such party is duly authorized to enter into this MOU on behalf of the party.

10. Counterparts

This MOU may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

IN WITNESS WHEREOF, this Memorandum of Understanding is executed by the parties hereto, by their respective officers thereunto duly authorized as follows:

THE HOUSING AUTHORITY OF
THE COUNTY OF LOS ANGELES

By Bobette A. Glover
~~CARLOS JACKSON~~
Executive Director

for

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By Behnaz Doshak
Deputy

CITY OF LANCASTER

By Mark Bozighian
MARK BOZIGHIAN
City Manager

APPROVED AS TO FORM:
Office of the City Attorney

By David R. McEwen
City Attorney, David R. McEwen

ATTEST:

Geri K. Bryan
City Clerk Geri K. Bryan, CMG

Amendment No. 1

To Memorandum of Understanding By and Between The Housing Authority of
the County of Los Angeles and the City of Lancaster

This Amendment No. 1 to the Memorandum of Understanding (MOU) by and between the Housing Authority of the County of Los Angeles (the "Housing Authority") and the City of Lancaster (the "City") is made this 1st day of July, 2009

Whereas, On March 14, 2005, and continuing, the Housing Authority and the City have entered into agreements to provide additional investigative services for the Housing Voucher Choice (Section 8) Program, administered by the Housing Authority within the City and adjacent unincorporated areas of the County of Los Angeles, in accordance with U.S. Department of Housing and Urban Development (HUD) regulations;

Whereas, on August 1st, 2008, the Housing Authority and the City executed an MOU to provide additional investigative services from August 1, 2008 to June 30, 2009, using funds provided by the City and the County of Los Angeles;

Whereas the Housing Authority and the City wish to enter into Amendment No. 1 to the MOU to extend the time of performance for one (1) year from July 1, 2009 to June 30, 2010 and to adjust the cost of the services.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree that the MOU be amended as follows:

1. **Section 1. Investigative Activities** This MOU shall provide for additional investigative services to address violations of the Program administered by the Housing Authority within the City and the unincorporated areas serviced by the Lancaster Station of the County Sheriff's Department.
2. **Section 2. Term.** The term of this MOU shall be extended for a period of one (1) year, from July 1, 2009 to June 30, 2010 and shall remain in full force and effect until the new expiration date, or until funds provided under this MOU are fully expended, whichever is sooner.

3. **Section 4. City Responsibilities.** The City shall provide the Housing Authority a total of \$ 130,882 to be used in conjunction with \$130,883 provided by the County for the following personnel who shall perform services under this MOU:

Part-Time Investigator Supervisor (1) will supervise the work of one part-time investigator, as needed, at a total cost not exceeding \$9,000 for the twelve (12) month period.

Part-Time Investigator (2) will provide a total of thirty-two (64) hours of investigative services per week (3,328 per year) at a cost not exceeding \$180,000 for the twelve (12) month term.

Part-Time Analyst (1) will provide approximately 32 support hours per week (1,664 per year), at a total cost not exceeding \$56,250 for the twelve (12) month term, which includes start-up and overhead costs.

Part-Time Hearing Officer (1) will provide hearing services, as needed, of approximately 1-2 days per month, at a total cost not exceeding \$16,515 for the twelve month term.

The City shall make available to the Housing Authority the assistance of its City administrators and staff, as necessary to address Program-related violations and criminal activity and to carry out corrective measures.

4. **Section 5. Housing Authority Responsibilities.** The Housing Authority shall recruit and retain qualified persons to perform the services described in Paragraphs 4 and 5.

The Investigator Supervisor shall be an employee of the Housing Authority, and shall perform the following: manage the daily operations of the fraud investigations program; supervise and schedule work assignments of the Investigator; serve as liaison to the City and the County Sheriff's Department; compile statistical data for monthly program reports; and perform other related duties.

The Investigator shall be an employee of the Housing Authority and shall perform the following; conduct investigations of suspected violations of the Program administered by the Housing Authority, gather information through interviewing witnesses, and reviewing files, public records and other documents; prepare written reports and maintain statistical activity logs; prepare cases involving program violations for administrative action; maintain files for potential use by prosecutors in criminal proceedings; testify in

administrative and criminal hearings; participate in any existing Crime Prevention Task Force and the Lancaster Community Appreciation Program; conduct fraud awareness training for law enforcement officers and other officials; prepare monthly reports on investigative activities for submission to the City; address quality of life issues and program regulation enforcement; and perform other related duties.

The Analyst shall be an employee of the Housing Authority and shall perform the following: create and maintain investigation files and compile information relevant to investigations, including the review and research of credit reports, public records and documents; analyze information to determine if fraud or program violations exist; interview clients or other involved parties, as appropriate; prepare investigation reports; recommend courses of action and remedies; schedule informal hearings and prepare hearing documents; represent the Housing Authority at informal hearings, as necessary; prepare status, financial and other reports; and perform other related duties.

The Hearing Officer shall be an independent contractor of the Housing Authority and shall perform the following: conduct reviews and hearings requested by the Housing Authority to consider grievances of program participants under investigation; create and provide to the Housing Authority digital recordings of reviews and hearings; provide recommendations on whether additional information is required to make final determinations; review testimony and evidence in each case, and make final recommendations to the Housing Authority; issue written decisions on each case; and perform other related duties.

The above personnel, except the hearing officer, shall be under the supervision of the Housing Authority and not under the supervision or training of the City. The Housing Authority warrants that all services performed by the above personnel under this MOU shall be performed in compliance with all applicable federal, state and County laws and regulations.

The Housing Authority shall administer the funds provided under this MOU to conduct the services described above. All services to be provided by the Housing Authority are included within the quarterly sum to be paid by the City, and there shall be no additional cost to the City for Services provided pursuant to this MOU. In the event of termination of the MOU, as provided herein, the City shall be responsible for all fees incurred through the effective date of termination.

5. **Section 6.** Notices provided for in this MOU shall be in writing and shall be addressed to the person intended to receive the same, at the following addresses:

The Housing Authority: Sean Rogan, Executive Director
The Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755


The City Mark Bozigian, City Manager
City of Lancaster
44933 Fern Avenue
Lancaster, California 93534-2461

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Housing Authority and the City may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

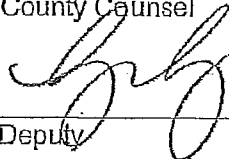
All other terms and conditions of the MOU shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Housing Authority and the City through their duly authorized officers have executed this Amendment No. 1 to the MOU as of the date first above written.


THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

By: 
SEAN ROGAN
Executive Director

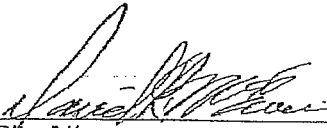
APPROVED AS TO FORM:
Robert E. Kalunian
Acting County Counsel

By: 
Deputy

CITY OF LANCASTER

By:  25
Mark Bozigian
City Manager

APPROVED AS TO FORM:
Office of the City Attorney

By: 
City Attorney

ATTEST:


City Clerk

ORIGINAL

Amendment No. 2

To Memorandum of Understanding By and Between The Housing Authority of the
County of Los Angeles and the City of Lancaster

This Amendment No. 2 to the Memorandum of Understanding (MOU) by and between the Housing Authority of the County of Los Angeles (the "Housing Authority") and the City of Lancaster (the "City") is made this 1st day of July, 2010

Whereas, On March 14, 2005, and continuing, the Housing Authority and the City have entered into agreements to provide additional investigative services for the Housing Voucher Choice (Section 8) Program, administered by the Housing Authority within the City and adjacent unincorporated areas of the County of Los Angeles, in accordance with U.S. Department of Housing and Urban (HUD) regulations;

Whereas, On August 1st, 2008 the Housing Authority and the city executed an MOU to provide additional investigative services from August 1, 2008 to June 30, 2008, using funds provided by the City and the County of Los Angeles;

Whereas the Housing Authority and the City wish to enter into Amendment No. 2 to the MOU to extend the time of performance for one (1) year from July 1, 2010 to June 30, 2011 and to adjust the cost of the services.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree that the MOU be amended as follows:

Section 2. Term. The term of this MOU shall be extended for a period of one (1) year, from July 1, 2010 to June 30, 2011 and shall remain in full force and effect until the new expiration date, or until funds provided under this MOU are fully expended, whichever is sooner.

Section 4. City Responsibilities. The City shall provide the Housing Authority a total of \$ 94,500 to be used with \$94,500 provided by the County for the following personnel who shall perform services under this MOU:

Part-Time Investigator Supervisor (1) will supervise the work of two part-time investigators, as needed, at a total cost not exceeding \$9,000 for the twelve (12) month period.

Part-Time Investigators (2) will provide a total of sixty four (64) hours of investigative services per week (3,328 hours per year) at a cost not exceeding \$180,000 for the twelve (12) month term.

Section 6. Notices provided for in this MOU shall be in writing and shall be addressed to the person intended to receive same, at the following addresses:

The Housing Authority:

Sean Rogan, Executive Director
The Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

The City:


Mark Bozigian, City Manager
City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534-2461

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Housing Authority and the City may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

All other terms and conditions of the MOU shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Housing Authority and the City through their duly authorized officers have executed this Amendment No. 2 to the MOU as of the date first above written.

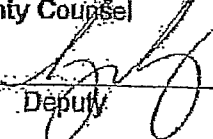
THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

By: 
SEAN ROGAN
Executive Director

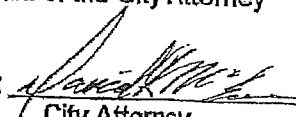
CITY OF LANCASTER

By:  ^{ell} _{EB}
MARK BOZIGIAN
City Manager

APPROVED AS TO FORM:
Andrea Sheridan Ordín
County Counsel

By: 
Deputy

APPROVED AS TO FORM:
Office of the City Attorney

By: 
City Attorney

ATTEST:


City Clerk

EXHIBIT "B"

STRADLING YOCCA CARLSON & RAUTH

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

660 NEWPORT CENTER DRIVE, SUITE 1600

NEWPORT BEACH, CA 92660-6422

TELEPHONE (949) 725-4000

FACSIMILE (949) 725-4100

ORANGE COUNTY
(949) 725-4000

SAN DIEGO
(858) 926-3000

SAN FRANCISCO
(415) 283-2240

SANTA BARBARA
(805) 730-6800

SACRAMENTO
(916) 449-2350

ALLISON E. BURNS
DIRECT DIAL: (949) 725-4187
ABURNS@SYCR.COM

August 25, 2011

County of Los Angeles
Executive Office, Board of Supervisors
Rm. 383 Kenneth Hahn Hall of Administration
500 W. Temple St.
Los Angeles, CA 90012

Re: *Claim Against the County of Los Angeles Presented Pursuant to Section 4.04.010
et seq. of the Los Angeles County Code*

This office represents the City of Lancaster ("Lancaster"); Lancaster requests that all future notices or correspondence concerning this matter be sent to this office at the above-noted address:

Lancaster and the Housing Authority County of Los Angeles ("HACoLA"), have entered into various Memoranda of Understanding ("MOUs") and Amendments to those MOUs, wherein HACoLA agreed to provide additional investigative services for the Housing Voucher Choice ("Section 8") Program, administered by HACoLA, within Lancaster and adjacent unincorporated areas of Los Angeles County. In return, Lancaster agreed to pay a portion of the costs associated with the additional investigative services. The earliest such MOU was executed on or about November 4, 2004. Thereafter, new MOUs and/or Amendments to existing MOUs were executed by and between HACoLA and Lancaster until June 21, 2011, when the Board of Supervisors of the County of Los Angeles voted to continue consideration of a new MOU between Lancaster and HACoLA until the expiration of a 90-day moratorium put in place by the Board of Supervisors.

On June 7, 2011, an action entitled *The Community Action League, et. al. v. City of Lancaster, et. al.* was filed in the United States District Court – Central District of California. The plaintiffs in that action allege that Lancaster and the other named defendant violated the federal Fair Housing Act, the 14th Amendment of the United States Constitution, California Government Code section 12955(k), California Government Code section 11135, Article I, Section 7 of the California Constitution and Article IV, Section 16 of the California Constitution. Plaintiffs allege that these statutes and portions of the United States and California Constitution were violated as a result of actions taken to investigate and ensure compliance with the Section 8 program. The specific factual and legal allegations can be found in the copy of the complaint in *The Community Action League, et. al. v. City of Lancaster, et. al.* that is enclosed herewith.

A review of the complaint establishes that the plaintiffs' allegations arise from the actions of HACoLA, its agents, employees and/or investigators in relation to the rendition of services pursuant to the MOU in force and effect at the time of the alleged violations. The MOU executed by and between HACoLA and Lancaster on or about July 8, 2008, which through Amendment No. 1 and Amendment No. 2, was in force and effect at the time *The Community Action League, et. al. v. City of Lancaster, et. al.* was commenced contains the following provision:

"7. Indemnification

The Housing Authority [HACoLA] shall be responsible for and shall defend and hold harmless and indemnify the City, its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party prelatig to or resulting from the actions of the Housing Authority [HACoLA], its agents, employees and investigators, in relation to the rendition of services pursuant to this MOU." (MOU, Pg. 5.)

Copies of the MOU executed by and between HACoLA and Lancaster on or about July 8, 2008, Amendment No. 1 and Amendment No. 2 are enclosed herewith.

~~Pursuant to the terms of the MOU in force and effect at the time of the filing of *The Community Action League, et. al. v. City of Lancaster, et. al.* demand is hereby made that HACoLA and the County of Los Angeles provide Lancaster a defense against the claims made therein. Demand is further made that HACoLA and the County of Los Angeles provide such defense through counsel of Lancaster's choosing. If this demand is not acted upon or is denied, Lancaster will immediately bring an appropriate action against the County of Los Angeles and HACoLA seeking declaratory relief and an order of the court establishing that the County of Los Angeles and/or HACoLA are required to provide the requested defense.~~

Moreover, the MOU and the Amendments to the MOU contained certain promises and warranties made by HACoLA that, if the allegations made by the plaintiffs in *The Community Action League, et. al. v. City of Lancaster, et. al.* are proven to be true, were breached by HACoLA. Specifically, HACoLA agreed to provide the additional investigative services, "in accordance with U.S. Department of Housing and Urban ("HUD") regulations," (Amendment No. 2, Pg. 1) and, "warrant[ed] that all services provided by the above personnel [investigators and administrative staff] shall be performed in compliance with all applicable federal, state, and County laws and regulations." (MOU, Pg. 4; Amendment No. 2, Pg. 1.) In the event that the plaintiffs in *The Community Action League, et. al. v. City of Lancaster, et. al.* are successful, Lancaster, as a result of HACoLA's breach of said promises and warranties, will be damaged in an amount currently unknown, but believed to be greatly in excess of the \$10,000 limit found in Government Code section 910.

Clerk of the Board of Supervisors
August 25, 2011
Page 3

Lancaster hereby demands that HACoLA and the County of Los Angeles indemnify Lancaster from and against all potential damages suffered by Lancaster in connection with *The Community Action League, et. al. v. City of Lancaster, et. al.*, including, but not limited to, attorneys' fees incurred by Lancaster, any award of monetary damages, as well as, any award of attorneys' fees or costs in favor of plaintiffs and against Lancaster. If no action is taken upon and/or this claim is rejected Lancaster will bring an action against the HACoLA and the County of Los Angeles. Any action would include, but not be limited to, claims for breach of contract, express indemnity, implied indemnity and breach of warranty.

Your prompt attention to this matter is appreciated.

Very truly yours,

STRADLING YOCCA CARLSON & RAUTH

A handwritten signature in black ink, appearing to read 'AEB', is written over the printed name Allison E. Burns.

Allison E. Burns

Enclosures

cc: David R. McEwen

**Memorandum of Understanding By and Between
The Housing Authority of the County of Los Angeles and the
City of Lancaster for Housing Program Investigative Services**

This Memorandum of Understanding ("MOU") is made and entered into this 8th day of JULY 2008, by and between the Housing Authority of the County of Los Angeles (the "Housing Authority") and the City of Lancaster (the "City").

Whereas, on August 21, 1978, and continuing, the Housing Authority and the City have entered into annual Cooperation Agreements whereby the Housing Authority administers the Housing Choice Voucher Program (Section 8) and other housing programs within the City (the "Programs"), pursuant to Title II of the Housing and Community Development Act of 1974, as amended, and Section 34200 et. seq. of the California Health and Safety Code; and

Whereas, the Housing Authority operates the Programs within the City using funds allocated by the U.S. Department of Housing ("HUD"), and monitors the compliance of participants with regulations established by HUD and the Housing Authority; and

Whereas, the Housing Authority on an ongoing basis performs investigations to ensure that participants comply with said regulations, and that participants are not involved in criminal or other activity that may negatively impact the Program; and

Whereas, on November 4, 2004, and continuing, the Housing Authority and the City have entered into agreements that have permitted the Housing Authority to perform investigative services within the City and the unincorporated Antelope Valley area of the County of Los Angeles (the "County"); and

Whereas, the Housing Authority and the City wish to enter into the following MOU to continue additional investigative services with funds provided by the County and the City;

NOW, THEREFORE, it is agreed between the parties as follows:

1. Investigative Activities

This MOU shall provide for additional investigative services to address criminal activity and other violations related to the Programs administered by the Housing Authority within the City and the unincorporated Antelope Valley area of the County.

City of Lancaster
MOU Between City and Housing Authority
Page 2 of 6

2. Term

This MOU shall commence as of the day and year first above written and shall remain in full force through June 30, 2009, unless sooner terminated as provided herein. The MOU may be renewed by written amendment duly executed by the parties, for an additional two years, in one-year increments.

3. Termination

This MOU may be terminated by either party with thirty (30) days' written notice transmitted to the addresses provided in Paragraph 6 below.

4. City Responsibilities

The City shall provide to the Housing Authority a total of \$116,340, to be used in conjunction with \$116,340 allocated by the County for the following personnel who shall perform services under this MOU:

Part-Time Investigator Supervisor (1) will supervise the work of the two part-time Investigators, as needed, at a total cost not exceeding \$8,000 for the twelve (12) month term.

Part-Time Investigators (2) will provide a total of 64 hours of investigative services per week (3,328 per year) at a total cost not exceeding \$160,000 for the twelve (12) month term.

Part-Time Analyst (1) will provide approximately 32 support hours per week (1,664 per year), at a total cost not exceeding \$50,000 for the twelve (12) month term, which includes start-up and overhead costs.

Part-Time Hearing Officer (1) will provide hearing services, as needed, of approximately 1-2 days per month, at a total cost not exceeding \$14,680 for the twelve month term.

The City shall make its staff available to the Housing Authority, as necessary to address Programs-related violations and criminal activity and to carry out corrective measures.

City of Lancaster
MOU Between City and Housing Authority
Page 3 of 6

The City warrants that all services performed by its employees under this MOU shall be carried out in accordance with all applicable federal, state and County laws and regulations.

The City shall receive from the Housing Authority quarterly invoices identifying the number of hours and description of investigative services performed.

5. Housing Authority Responsibilities

The Housing Authority shall recruit and retain the services of qualified persons to perform the services described in Paragraphs 4 and 5.

The Investigator Supervisor shall be an employee of the Housing Authority and shall perform the following: manage the daily operations of the fraud investigations program; supervise and schedule work assignments of the two Part-Time Investigators; serve as liaison to the City and the County Sheriff's Department; compile statistical data for monthly program reports; and perform other related duties.

The Investigators shall be employees of the Housing Authority and shall perform the following: conduct investigations of suspected violations of the Programs administered by the Housing Authority; gather information through interviewing witnesses, and reviewing files, public records and other documents; prepare written reports and maintain statistical activity logs; prepare cases involving Program violations for administrative action; prepare cases for civil or criminal action to document and recover subsidies received by participants based on fraud; testify in administrative and criminal hearings; participate in any Crime Prevention Task Force and Lancaster Community Appreciation Program; conduct fraud awareness training for law enforcement officers and other officials; prepare monthly reports on investigative activities for submission to the City; address quality of life issues and program regulation enforcement; and perform other related duties.

The Analyst shall be an employee of the Housing Authority and shall perform the following: create and maintain investigation files and compile information relevant to investigations, including the review and research of credit reports, public records and documents; analyze information to determine if fraud or program violations exist; interview clients or other involved parties, as appropriate; prepare investigation reports; recommend

City of Lancaster
MOU Between City and Housing Authority
Page 4 of 6

courses of action and remedies; schedule informal hearings and prepare hearing documents; represent the Housing Authority at informal hearings, as necessary; prepare status, financial and other reports; and perform other related duties.

The Hearing Officer shall be a contractor of the Housing Authority and shall perform the following: conduct reviews and hearings requested by the Housing Authority to consider grievances of program participants under investigation; create and provide to the Housing Authority digital recordings of reviews and hearings; provide recommendations on whether additional information is required to make final determinations; review testimony and evidence in each case, and make final recommendations to the Housing Authority; issue written decisions on each case; and perform other related duties.

The above personnel shall be under the supervision of the Housing Authority, and not under the supervision or training of the City. The Housing Authority warrants that all services performed by its Investigators under this MOU shall be performed in compliance with all applicable federal, state and County laws and regulations.

The Housing Authority shall administer the funds provided by the City to conduct the services described above. All services to be provided by the Housing Authority are included within the quarterly sum to be paid by the City, and there shall be no additional cost to the City for services provided pursuant to this MOU. In the event of termination of the MOU, as provided herein, the City shall be responsible for all fees incurred through the effective date of termination.

The Housing Authority shall submit quarterly statements to the City identifying the number of hours provided, description of investigative services and associated costs. The City shall remit payment for the quarterly invoices within fifteen (15) days of receipt.

6. Notices

Notices provided for in this MOU shall be in writing and shall be addressed to the person intended to receive the same, at the following addresses:

City of Lancaster
MOU Between City and Housing Authority
Page 5 of 6

The Housing Authority: Carlos Jackson, Executive Director
The Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

The City: Mark Bozigian, City Manager
City of Lancaster
44933 North Fern Avenue
Lancaster, California 93534-2461

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. mail or when delivered in person with written acknowledgement of the receipt thereof. The Housing Authority and the City may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

7. Indemnification

The Housing Authority shall be responsible for and shall defend and hold harmless and indemnify the City, its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the Housing Authority, its agents, employees and investigators, in relation to the rendition of services pursuant to this MOU.

The City shall be responsible for and shall defend and hold harmless and indemnify the Housing Authority, the Community Development Commission and the County of Los Angeles, and its elected and appointed officials, employees and agents from all costs and claims for damages whatsoever by any third party relating to or resulting from the actions of the City arising out of or in connection with the services, work, operation or activities of the City, its agents, employees and officials, in relation to the rendition of services pursuant to this MOU.

City of Lancaster
MOU Between City and Housing Authority
Page 6 of 6

8. Entire Document

This MOU constitutes the entire understanding and agreement of the parties.

9. Authority

Each of the parties represents and warrants that the person entering into this MOU on behalf of such party is duly authorized to enter into this MOU on behalf of the party.

10. Counterparts

This MOU may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

IN WITNESS WHEREOF, this Memorandum of Understanding is executed by the parties hereto, by their respective officers thereunto duly authorized as follows:

THE HOUSING AUTHORITY OF
THE COUNTY OF LOS ANGELES

By Bobbette A. Glover
~~CARLOS JACKSON~~
for Executive Director

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By Behnaz Dastmalchi
Deputy

CITY OF LANCASTER

By Mark Bozighian
MARK BOZIGHIAN
City Manager

APPROVED AS TO FORM:
Office of the City Attorney

By David R. McEwen
City Attorney, David R. McEwen

ATTEST:

Geri K. Bryan
City Clerk Geri K. Bryan, CMG

Amendment No. 1

To Memorandum of Understanding By and Between The Housing Authority of
the County of Los Angeles and the City of Lancaster

This Amendment No. 1 to the Memorandum of Understanding (MOU) by and between the Housing Authority of the County of Los Angeles (the "Housing Authority") and the City of Lancaster (the "City") is made this 1st day of July, 2009

Whereas, On March 14, 2005, and continuing, the Housing Authority and the City have entered into agreements to provide additional investigative services for the Housing Voucher Choice (Section 8) Program, administered by the Housing Authority within the City and adjacent unincorporated areas of the County of Los Angeles, in accordance with U.S. Department of Housing and Urban Development (HUD) regulations;

Whereas, on August 1st, 2008, the Housing Authority and the City executed an MOU to provide additional investigative services from August 1, 2008 to June 30, 2009, using funds provided by the City and the County of Los Angeles;

Whereas the Housing Authority and the City wish to enter into Amendment No. 1 to the MOU to extend the time of performance for one (1) year from July 1, 2009 to June 30, 2010 and to adjust the cost of the services.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree that the MOU be amended as follows:

1. **Section 1. Investigative Activities** This MOU shall provide for additional investigative services to address violations of the Program administered by the Housing Authority within the City and the unincorporated areas serviced by the Lancaster Station of the County Sheriff's Department.
2. **Section 2. Term.** The term of this MOU shall be extended for a period of one (1) year, from July 1, 2009 to June 30, 2010 and shall remain in full force and effect until the new expiration date, or until funds provided under this MOU are fully expended, whichever is sooner.

3. **Section 4. City Responsibilities.** The City shall provide the Housing Authority a total of \$ 130,882 to be used in conjunction with \$130,883 provided by the County for the following personnel who shall perform services under this MOU:

Part-Time Investigator Supervisor (1) will supervise the work of one part-time investigator, as needed, at a total cost not exceeding \$9,000 for the twelve (12) month period.

Part-Time Investigator (2) will provide a total of thirty-two (64) hours of investigative services per week (3,328 per year) at a cost not exceeding \$180,000 for the twelve (12) month term.

Part-Time Analyst (1) will provide approximately 32 support hours per week (1,664 per year), at a total cost not exceeding \$56,250 for the twelve (12) month term, which includes start-up and overhead costs.

Part-Time Hearing Officer (1) will provide hearing services, as needed, of approximately 1-2 days per month, at a total cost not exceeding \$16,515 for the twelve month term.

The City shall make available to the Housing Authority the assistance of its City administrators and staff, as necessary to address Program-related violations and criminal activity and to carry out corrective measures.

4. **Section 5. Housing Authority Responsibilities.** The Housing Authority shall recruit and retain qualified persons to perform the services described in Paragraphs 4 and 5.

The Investigator Supervisor shall be an employee of the Housing Authority, and shall perform the following: manage the daily operations of the fraud investigations program; supervise and schedule work assignments of the Investigator; serve as liaison to the City and the County Sheriff's Department; compile statistical data for monthly program reports; and perform other related duties.

The Investigator shall be an employee of the Housing Authority and shall perform the following; conduct investigations of suspected violations of the Program administered by the Housing Authority, gather information through interviewing witnesses, and reviewing files, public records and other documents; prepare written reports and maintain statistical activity logs; prepare cases involving program violations for administrative action; maintain files for potential use by prosecutors in criminal proceedings; testify in

administrative and criminal hearings; participate in any existing Crime Prevention Task Force and the Lancaster Community Appreciation Program; conduct fraud awareness training for law enforcement officers and other officials; prepare monthly reports on investigative activities for submission to the City; address quality of life issues and program regulation enforcement; and perform other related duties.

The Analyst shall be an employee of the Housing Authority and shall perform the following: create and maintain investigation files and compile information relevant to investigations, including the review and research of credit reports, public records and documents; analyze information to determine if fraud or program violations exist; interview clients or other involved parties, as appropriate; prepare investigation reports; recommend courses of action and remedies; schedule informal hearings and prepare hearing documents; represent the Housing Authority at informal hearings, as necessary; prepare status, financial and other reports; and perform other related duties.

The Hearing Officer shall be an independent contractor of the Housing Authority and shall perform the following: conduct reviews and hearings requested by the Housing Authority to consider grievances of program participants under investigation; create and provide to the Housing Authority digital recordings of reviews and hearings; provide recommendations on whether additional information is required to make final determinations; review testimony and evidence in each case, and make final recommendations to the Housing Authority; issue written decisions on each case; and perform other related duties.

The above personnel, except the hearing officer, shall be under the supervision of the Housing Authority and not under the supervision or training of the City. The Housing Authority warrants that all services performed by the above personnel under this MOU shall be performed in compliance with all applicable federal, state and County laws and regulations.

The Housing Authority shall administer the funds provided under this MOU to conduct the services described above. All services to be provided by the Housing Authority are included within the quarterly sum to be paid by the City, and there shall be no additional cost to the City for Services provided pursuant to this MOU. In the event of termination of the MOU, as provided herein, the City shall be responsible for all fees incurred through the effective date of termination.

5. **Section 6.** Notices provided for in this MOU shall be in writing and shall be addressed to the person intended to receive the same, at the following addresses:

The Housing Authority: Sean Rogan, Executive Director
The Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755


The City Mark Bozigian, City-Manager
City of Lancaster
44933 Fern Avenue
Lancaster, California 93534-2461

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Housing Authority and the City may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

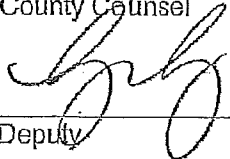
All other terms and conditions of the MOU shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Housing Authority and the City through their duly authorized officers have executed this Amendment No. 1 to the MOU as of the date first above written.


THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

By: 
SEAN ROGAN
Executive Director

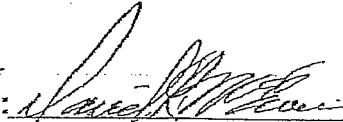
APPROVED AS TO FORM:
Robert E. Kalunian
Acting County Counsel

By: 
Deputy

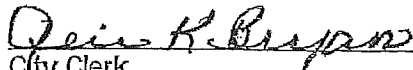
CITY OF LANCASTER

By:  25
Mark Bozigian
City Manager

APPROVED AS TO FORM:
Office of the City Attorney

By: 
City Attorney

ATTEST:


City Clerk

ORIGINAL

Amendment No. 2

To Memorandum of Understanding By and Between The Housing Authority of the County of Los Angeles and the City of Lancaster

This Amendment No. 2 to the Memorandum of Understanding (MOU) by and between the Housing Authority of the County of Los Angeles (the "Housing Authority") and the City of Lancaster (the "City") is made this 1st day of July, 2010

Whereas, On March 14, 2005, and continuing, the Housing Authority and the City have entered into agreements to provide additional investigative services for the Housing Voucher Choice (Section 8) Program, administered by the Housing Authority within the City and adjacent unincorporated areas of the County of Los Angeles, in accordance with U.S. Department of Housing and Urban (HUD) regulations;

Whereas, On August 1st, 2008 the Housing Authority and the city executed an MOU to provide additional investigative services from August 1, 2008 to June 30, 2008, using funds provided by the City and the County of Los Angeles;

Whereas the Housing Authority and the City wish to enter into Amendment No. 2 to the MOU to extend the time of performance for one (1) year from July 1, 2010 to June 30, 2011 and to adjust the cost of the services.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree that the MOU be amended as follows:

Section 2. Term. The term of this MOU shall be extended for a period of one (1) year, from July 1, 2010 to June 30, 2011 and shall remain in full force and effect until the new expiration date, or until funds provided under this MOU are fully expended, whichever is sooner.

Section 4. City Responsibilities. The City shall provide the Housing Authority a total of \$ 94,500 to be used with \$94,500 provided by the County for the following personnel who shall perform services under this MOU:

Part-Time Investigator Supervisor (1) will supervise the work of two part-time investigators, as needed, at a total cost not exceeding \$9,000 for the twelve (12) month period.

Part-Time Investigators (2) will provide a total of sixty four (64) hours of investigative services per week (3,328 hours per year) at a cost not exceeding \$180,000 for the twelve (12) month term.

Section 6. Notices provided for in this MOU shall be in writing and shall be addressed to the person intended to receive same, at the following addresses:

The Housing Authority:

Sean Rogan, Executive Director
The Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

The City:

Mark Bozigian, City Manager
City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534-2461


Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. The Housing Authority and the City may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

All other terms and conditions of the MOU shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Housing Authority and the City through their duly authorized officers have executed this Amendment No. 2 to the MOU as of the date first above written.


THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

By:


SEAN ROGAN
Executive Director

CITY OF LANCASTER

By:

 ^{gl}
MARK BOZIGIAN _{EB}
City Manager


APPROVED AS TO FORM:
Andrea Sheridan Ordín
County Counsel

By:

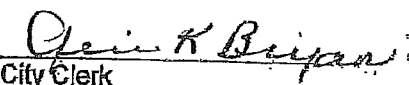

Deputy

APPROVED AS TO FORM:
Office of the City Attorney

By:


City Attorney

ATTEST:


City Clerk

FILED

11 JUN -7 AM 11:28
CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

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18 Pacoima, California 91331
19 T: (818) 834-7544

20 Attorneys for Plaintiffs
21 (see next page for additional counsel)

22 IN THE UNITED STATES DISTRICT COURT
23 CENTRAL DISTRICT OF CALIFORNIA

24 THE COMMUNITY ACTION LEAGUE,
25 a California non-profit organization;
26 CALIFORNIA STATE CONFERENCE
27 OF THE NATIONAL ASSOCIATION
28 FOR THE ADVANCEMENT OF
COLORED PEOPLE, a non-profit
organization; JANE ROE, an individual;
and JUDY DOE, an individual,
Plaintiffs,

vs.

CITY OF LANCASTER and CITY OF
PALMDALE,
Defendants.

Case No. **CV11 04817 ODW** **VBKx**
COMPLAINT FOR VIOLATIONS
OF:
(1) 42 U.S.C. § 3604(a);
(2) 42 U.S.C. § 3604(b);
(3) 42 U.S.C. § 3617;
(4) U.S. CONST. AMEND. XIV;
(5) CAL. GOV'T CODE § 12955(k);
(6) CAL. GOV'T CODE § 11135;
and
(7) CAL. CONST. ART. I § 7, ART.
IV § 16
JURY TRIAL DEMANDED

1 Plaintiffs The Community Action League (“TCAL”), California State
2 Conference of the National Association for the Advancement of Colored People
3 (“NAACP”), Jane Roe, and Judy Doe (collectively, “Plaintiffs”) bring this action
4 against Defendants City of Lancaster (“Lancaster”) and City of Palmdale (“Palmdale”)
5 (collectively, the “Cities” or “Defendants”) for violation of the equal protection
6 clauses of the United States and California Constitutions, the federal Fair Housing
7 Act (42 U.S.C. §§ 3604, 3617), the California Fair Employment and Housing Act
8 (Cal. Gov’t Code § 12955), and California Government Code § 11135.¹ Plaintiffs’
9 claims are based on Defendants’ intentional race-based exclusion of and
10 discrimination against black and Latino families and individuals, and on the
11 unjustified racially disparate impact of Defendants’ policies and practices upon them.
12 Plaintiffs allege upon personal knowledge with respect to themselves and their own
13 acts, and upon information and belief with respect to all other matters, as follows:

14 **NATURE OF THE ACTION**

15 1. Through this action, Plaintiffs seek to end the Cities’ racial and ethnic
16 discrimination against low income black and Latino residents caused by the Cities’
17 policies and practices that target certain black and Latino families for intimidation,
18 harassment, and exclusion – specifically, those black and Latino families who
19 participate in the Section 8 Housing Choice Voucher program.

20 2. The Section 8 Housing Choice Voucher program, commonly referred to
21 as “Section 8,” is a federal program funded and administered by the U.S. Department
22 of Housing and Urban Development (“HUD”) that provides rental subsidies for low
23 income families and individuals, including those who are elderly or disabled. The
24 purpose of the Section 8 program is to enable the historic victims of discrimination to
25

26
27 ¹ Plaintiffs Jane Roe and Judy Doe will be moving *ex parte* to proceed with this action under
28 pseudonyms pursuant to *Does I through XXIII v. Advanced Textile Corp.*, 214 F.3d 1058 (9th Cir. 2000).

1 6. Approximately 3,600 primarily black and Latino families⁴ (or 11,400
2 individuals⁵) with Section 8 vouchers have chosen to live in Lancaster or Palmdale.
3 According to HUD's statistics for 2008, the most recent year available, 70% of
4 Lancaster Section 8 tenants were black and 14% were Latino.⁶ Similarly, in
5 Palmdale, 67% of Section 8 participants identified themselves as black and 18% as
6 Latino.⁷

7 7. The Cities have not welcomed these Section 8 families. Rather, City
8 officials have treated Section 8 participants as outsiders who have been imposed or,
9 as one Lancaster official put it, "dumped" upon Lancaster and Palmdale.⁸ In the
10 words of a Palmdale Council Member, the Cities fear they will be "swarm[ed]" by
11 Section 8 participants.⁹ Thus, the Cities have targeted these black and Latino Section
12 8 voucher holders – and other black and Latino individuals whom the Cities' officials
13 and residents assume to be program participants – with punitive surveillance and
14 harassment. Moreover, the Cities have sought to exclude Section 8 voucher holders
15 currently living elsewhere by discouraging them from moving into the Cities.

16 8. The constant surveillance and harassment to which Section 8 participants
17 have been subject is part of a carefully orchestrated campaign by the Cities. As stated
18 by Lancaster's Mayor, "[T]his City wants to limit the number of Section 8 units that
19 are placed in this community. . . . [I]t is a problem that is crushing the community . . .
20

21 _____
22 ⁴ See HACoLA Antelope Valley Section 8 Activity Report to Michael D. Antonovich, dated Oct.
23 19, 2010.

24 ⁵ See <http://www.huduser.org/portal/picture2008/index.html>.

25 ⁶ See *id.*

26 ⁷ See *id.*

27 ⁸ See, e.g., June 10, 2008 Lancaster City Council Minutes, June 24, 2008 Lancaster City Council
28 Minutes. Lancaster City Council Minutes, as well as agendas, videos, and some staff reports, are
available on the City of Lancaster's webpage, <http://www.cityoflanasterca.org>.

⁹ September 19, 2007 Palmdale City Council Meeting Video. Videos of Palmdale's City Council
meetings, as well as agendas, minutes, and some staff reports, are available on the City of
Palmdale's webpage: <http://www.cityofpalmdale.org>.

1 agreements with HACoLA to obtain, on a monthly basis, the names and
2 addresses of every Section 8 participant and every landlord renting to Section 8
3 participants in the Cities. At the Cities' request, those lists have at least on
4 some occasions been disaggregated by family status and age to narrowly
5 identify those Section 8 voucher holders to target for harassment. In addition,
6 City officials direct several "public safety" programs that reinforce the
7 activities of the additional housing investigators. Lancaster operates two
8 subprograms within its public safety department that target rental properties:
9 LAN-CAP and CORE. LAN-CAP polices multi-unit buildings, while CORE
10 focuses its efforts on nuisance-type complaints. Palmdale likewise has a
11 subprogram focused on rental units, called PAC.

12 b. Putting Out The "Not-Welcome" Mat. Lancaster and Palmdale
13 have met with HACoLA repeatedly in order to attempt to exclude Section 8
14 tenants from the Antelope Valley. The Cities asked HACoLA to produce an ad
15 campaign to dissuade voucher participants from moving to the Antelope Valley
16 by falsely suggesting that there were no jobs, no services, and that the cost of
17 living was high. The Cities also asked to be present at orientation meetings for
18 voucher participants, in order to lecture participants and "lay down the law."¹⁴

19 c. Discriminatory Use of Business License and Inspection
20 Ordinances for Rental Properties. Lancaster and Palmdale have enacted and
21 used business licensing and inspection ordinances to target landlords who rent
22 to Section 8 participants. Lancaster, for example, asks registering landlords
23 whether they will be accepting Section 8 payments, and has sought to limit the
24 number of licenses it gives to Section 8 landlords. Both Cities directed
25 HACoLA to send threatening letters to Section 8 landlords whose properties

26 ¹⁴See email from R. Nishimura, HACoLA, to M. Badrakhan, HACoLA, dated July 15, 2009 re:
27 FW: City of Lancaster Letter. Letters and emails cited in this Complaint, as well as certain reports
28 and minutes not available on the Cities' websites, were produced to attorney Blasi in response to
California Public Records Act requests submitted to Lancaster, Palmdale, and HACoLA.

1 10. Officials in both Cities have spread false stereotypes about Section 8
2 participants in order to justify unlawful discrimination and exclusion.
3 Notwithstanding the threshold requirement for participation in the Section 8 program
4 that voucher holders pass rigorous criminal background checks, and the lack of any
5 correlation between Section 8 tenants – who constitute a very small portion of the
6 population – and crime rates, officials in both Cities have wrongly labeled their
7 Section 8 residents as criminals in an effort to justify their surveillance and
8 harassment.¹⁶

9 11. Similarly, the Cities claim that large numbers of Section 8 participants
10 have committed fraud in order to obtain assistance, and, therefore, that “cracking
11 down” on Section 8 fraud is appropriate.¹⁷ Notably, even in the isolated event that a
12 Section 8 participant receives federal assistance to which he or she was not
13 technically eligible, there is no resulting loss to either Lancaster or Palmdale, so their
14 intense interest in Section 8 fraud is not fiscally reasonable.

15 12. Finally, City officials have propagated false stereotypes about children
16 of Section 8 families as truants or troublemakers and their parents as indifferent to
17 their education or wellbeing, and sought to have Section 8 families whose children
18 miss school terminated from the program and evicted.¹⁸ They have done so while
19 simultaneously acknowledging that the stereotypes underlying these efforts are
20 without factual support.¹⁹

21 13. As detailed below, individual Plaintiffs and members of the
22 organizational Plaintiffs have suffered from unlawful discrimination resulting in
23 invasion of their privacy and public humiliation in front of their neighbors. In
24 addition, the Cities have sent each individual and organizational Plaintiff the

25 ¹⁶ See, e.g., February 19, 2009 Lancaster Section 8 Commission Minutes.

26 ¹⁷ See, e.g., June 24, 2008 Lancaster City Council Minutes; September 19, 2007 Palmdale City
27 Council Meeting Video.

28 ¹⁸ See October 26, 2010 Lancaster City Council Meeting Minutes.

¹⁹ See October 26, 2010 Lancaster City Council Meeting Video.

1 JURISDICTION AND VENUE

2 17. This Court has jurisdiction over the subject matter of the federal claims
3 asserted herein pursuant to 28 U.S.C. § 1331 (federal question) and 42 U.S.C.
4 § 3613(a) (Fair Housing Act).

5 18. This Court has jurisdiction over the state law claims pursuant to 28
6 U.S.C. § 1367 (supplemental jurisdiction).

7 19. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)
8 because Defendants reside in this judicial district and a substantial part of the events
9 or omissions giving rise to the claim occurred in this District.

10 PARTIES

11 20. Plaintiff TCAL is a community organization formed in 2010 that helps
12 low income individuals and people of color in the Antelope Valley act to fight for
13 their civil rights and eliminate race prejudice. TCAL has black and Latino members
14 who participate in the Section 8 voucher program in Lancaster and Palmdale, and
15 who have been injured by the Defendants' harassment of black and Latino Section 8
16 tenants. TCAL's mission is to empower, improve, and advance the economic,
17 political, and social conditions of the residents of the Antelope Valley. To fulfill its
18 mission, TCAL serves the community in the areas of housing, public policy, youth,
19 business, and community organizing. TCAL's Board of Directors and its members
20 are all residents of the Antelope Valley. TCAL has been forced to dedicate extensive
21 time and resources to investigating and combating the Cities' discriminatory policies
22 and practices, including door knocking, outreach and education meetings, press
23 conferences, and public meetings. TCAL operates a toll-free hotline where the
24 community can share their complaints about housing discrimination. The need to
25 divert its resources to addressing the Cities' practices has frustrated TCAL's mission.
26 Because of the Cities' actions, TCAL has been unable to devote sufficient resources
27 to other areas that are critical to its mission, such as youth outreach programs and
28 programs addressing racial profiling by police in the Antelope Valley.

1 program, and would likely return to the Antelope Valley if the Cities ceased engaging
2 in exclusion and discrimination.

3 24. Plaintiff Judy Doe is a black Section 8 participant who lived in Palmdale
4 until shortly before the initiation of this litigation and now lives in Lancaster. Ms.
5 Doe and her family of four children live in fear of discrimination from the Cities.

6 25. Defendant City of Lancaster, California, is a municipal entity located in
7 Los Angeles County. Lancaster is located in the area of Los Angeles County
8 northeast of the City of Los Angeles known as the Antelope Valley. It has a
9 population of approximately 157,000.²² Law enforcement services are provided by
10 the Los Angeles County Sheriff under contract with the City. Approximately 9.3% of
11 the housing units – or 4,843 homes – in Lancaster are vacant.²³ As of September
12 2010, there were 2,226 Section 8 households in Lancaster.²⁴

13 26. Defendant City of Palmdale, California, is a municipal entity located in
14 Los Angeles County. Palmdale is also located in the area of Los Angeles County
15 northeast of the City of Los Angeles known as the Antelope Valley. It has a
16 population of approximately 153,000.²⁵ Law enforcement services are provided by
17 the Los Angeles County Sheriff under contract with the City. Approximately 7.7% of
18 the housing units – or 3,592 homes – in Palmdale are vacant.²⁶ As of September
19 2010, there were 1,416 Section 8 households in Palmdale.²⁷

20 **FACTS COMMON TO ALL CLAIMS**

21 27. The Antelope Valley, particularly its major cities of Lancaster and
22 Palmdale, was the site of intense racial segregation well into the 1970s and home to

23 ²² See 2010 Census Data at <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

24 ²³ Id.

25 ²⁴ HACoLA Antelope Valley Section 8 Activity Report to Michael D. Antonovich, dated Oct. 19,
2010.

26 ²⁵ See 2010 Census Data at <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

27 ²⁶ Id.

28 ²⁷ HACoLA Antelope Valley Section 8 Activity Report to Michael D. Antonovich, dated Oct. 19,
2010.

1 Jews and blacks along with “white power” and a swastika.³⁶ In August of 2010, the
2 Church of Jesus Christ of Latter-day Saints in Lancaster and the First African
3 Methodist Episcopal Church in Palmdale were firebombed.³⁷ Area hate crimes have
4 specifically targeted Section 8 recipients. In January 2011, a Palmdale Section 8
5 participant discovered graffiti stating “I hate Section 8” and “Nigger” on her garage.³⁸

6 28. Although the Cities have disavowed this ugly past as mere history and
7 characterize more recent actions as those of a few disturbed individuals, the Cities’
8 officials now seek to perpetuate prior discrimination by subjecting Section 8
9 participants – who are overwhelmingly black and Latino families — to exclusion and
10 discrimination.

11 29. Indeed, 84% of Section 8 participants in Lancaster and 85% in Palmdale
12 are black and Latino.³⁹ According to HUD’s statistics for 2008, the most recent year
13 available, of the 7,203 individuals in Section 8 voucher holders’ households in
14 Lancaster, 70% were black and 14% were Latino.⁴⁰ Similarly, in Palmdale, 67% of
15 the 4,146 individuals in Section 8 voucher holder households identified themselves as
16 black and 18% as Latino.⁴¹ Lancaster’s and Palmdale’s harassment and intimidation
17 of Section 8 participants already living in their Cities are targeted primarily against
18 blacks and Latinos.

19 30. Across Los Angeles County and the nation, black and Latino families
20 also make up the majority of Section 8 tenants. In Los Angeles County, 47% of the
21
22

23 ³⁶ See Leo Stallworth, Palmdale houses vandalized in “hate crime.” KABC-TV July 8, 2008,
<http://abclocal.go.com/kabc/story?section=news/local&id=6252533>.

24 ³⁷ See Church Arsons, Ourweekly.com, Aug 31,2010, [http://www.ourweekly.com/antelope-](http://www.ourweekly.com/antelope-valley/church-arsons)
25 [valley/church-arsons](http://www.ourweekly.com/antelope-valley/church-arsons) .

26 ³⁸ See Leo Stallworth, “Palmdale family target of Section 8 hatred.” KABC-TV Jan. 4, 2011,
http://abclocal.go.com/kabc/story?section=news/local/los_angeles&id=7880152.

27 ³⁹ See <http://www.huduser.org/portal/picture2008/index.html>.

28 ⁴⁰ See id.

⁴¹ See id.

1 to rental units, called the “Partners Against Crime” (“PAC”) unit. The PAC unit
2 consists of two sergeants and ten deputies.⁴⁵ According to Palmdale’s website, “[t]he
3 PAC program combines the City, Palmdale Sheriff’s Station, rental property owners
4 and managers and residents into a team that focuses on keeping illegal activity out of
5 rental property”⁴⁶

6 33. Meetings among Lancaster, Palmdale, and HACoLA in 2004 and 2005
7 spurred Memoranda of Understanding (“MOU”) to hire additional investigators to
8 work with the local sheriff’s office and focus on eliminating purported Section 8
9 fraud. In November 2004, Lancaster entered into a MOU with HACoLA and the
10 County of Los Angeles providing “for additional investigative services to address
11 criminal activity and other violations related to the [Section 8] Program administered
12 by the Housing Authority within [Lancaster]”⁴⁷ The City paid HACoLA
13 \$50,000, and the County’s Fifth District matched the City’s contribution, in order to
14 provide “a maximum of 2,080 hours of investigative services during the term of this
15 MOU.”⁴⁸ The term of the original MOU was twelve months.⁴⁹

16 34. A few months later, in February 2005, Palmdale followed suit and
17 entered into a MOU with HACoLA and the County as well – noting, in fact, in its
18 staff report that Lancaster had already done so.⁵⁰ The original Palmdale MOU paid
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20
21
22

23 ⁴⁵ April 1, 2009 Staff Report for Palmdale City Council Meeting Agenda Item 7.1.

24 ⁴⁶ City of Palmdale webpage,
http://www.cityofpalmdale.org/departments/public_safety/pac/index.html.

25 ⁴⁷ Memorandum of Understanding By and Between the Housing Authority of the County of Los
Angeles and the City of Lancaster, dated Nov. 4, 2004.

26 ⁴⁸ Id.

27 ⁴⁹ See id.

28 ⁵⁰ See Palmdale City Council Staff Report re: Approval of Agreement No. A-0917..., dated Feb. 14,
200[5].

1 2) supervision of those investigators, 3) a part-time analyst, and 4) a part-time hearing
2 officer.⁶⁰ The June 9, 2009 City Council staff report recommending approval of this
3 amendment argued that “[t]he City’s Rental Inspection Program and inter-agency
4 cooperation between Code Enforcement and Housing Authority investigators has had
5 a significant impact on reducing the number of problematic Section 8 tenants.”⁶¹

6 37. Further harassment of Section 8 residents in Lancaster came in the form
7 of Lancaster’s 2007 establishment of the Community Oriented Response and
8 Enforcement program (“CORE”) which provided an additional four deputies and a
9 sergeant. Each deputy is assigned to a quadrant of the city.⁶² According to
10 Lancaster’s description of the program, “[t]his team focuses primarily on ongoing and
11 quality-of-life issues, such as loitering, graffiti, ‘problem neighbors,’ and emerging
12 crime patterns in specific areas.”⁶³ The CORE team, like the LAN-CAP team, also
13 participates in Section 8 compliance checks.⁶⁴

14 38. Until September 2009, HACoLA had no protocol in place governing the
15 conduct of its investigators. In Lancaster, these investigators were given space in the
16 Lancaster Sheriff Station, and investigators in both cities were accompanied by
17 deputies in multi-agency “sweeps” of Section 8 homes.⁶⁵ At least on some occasions,
18 the sweeps of Section 8 homes in Lancaster and Palmdale involve not only Sheriff’s
19 deputies, but also the Department of Children and Family Services, the Probation
20 Department, and Code Enforcement officials.⁶⁶ Investigations conducted in the Cities
21 regularly do not comply with the substantive limitations in the investigations protocol
22 HACoLA issued in September 2009.

23 ⁶⁰ See id.

24 ⁶¹ Id.

25 ⁶² City of Lancaster webpage, <http://www.cityoflancasterca.org/index.aspx?page=835>.

26 ⁶³ Id.

27 ⁶⁴ See id.

28 ⁶⁵ See, e.g., email from R. Nishimura, HACoLA, to M. Badrakhan, HACoLA, re: FW: Lancaster
Section 8 Compliance Checks, dated Dec. 11, 2008.

⁶⁶ See, e.g., id.

1 terminations in 98 (41%) of those investigations, deeming only 37 (15%) of the
2 claims against the Section 8 tenants unfounded.⁶⁹ During the same period in
3 Palmdale, fraud investigators opened 166 investigations, proposed termination for 96
4 tenants (58%), and deemed 11 (7%) unfounded.⁷⁰ In the rest of the County, with
5 nearly 17,000 Section 8 families, 670 investigations were opened, of which 183
6 (27%) resulted in proposed terminations and 207 (31%) were deemed unfounded.⁷¹
7 Between July 2009 and June 2010, the number of proposed terminations dropped
8 significantly, but investigators were still reluctant to close an investigation on the
9 grounds that it was unfounded.⁷² Later in 2010, Palmdale's investigators resumed
10 their vigorous termination rates, proposing terminations in 44% of all investigations
11 opened in July-September 2010, as opposed to a 9% rate outside of the Antelope
12 Valley.⁷³ The Cities receive the Antelope Valley Section 8 Activity Reports on a
13 monthly basis, and the reports include fiscal year-to-date as well as monthly data.

14 Palmdale in particular has praised their investigator's "unmatched" "productivity."⁷⁴
15 The Cities are the only cities in Los Angeles County that receive such reports from
16 HACoLA.

17 42. Overall, between 2006 and 2010, the odds that an investigation would
18 result in a recommendation that the participant's voucher be terminated were over 4
19 times higher in Lancaster than in the rest of County and almost 6 times higher in
20 Palmdale than in the rest of County.⁷⁵ Indeed, between July 1, 2006 and November 6,
21

22 ⁶⁹ See HACoLA Antelope Valley Section 8 Activity Report to Michael D. Antonovich, dated July
23 16, 2009.

24 ⁷⁰ See id.

25 ⁷¹ See id.

26 ⁷² HACoLA Antelope Valley Section 8 Activity Report to Michael D. Antonovich, dated July 14,
27 2010.

28 ⁷³ See HACoLA Antelope Valley Section 8 Activity Report to Michael D. Antonovich, dated
October 19, 2010.

⁷⁴ November 3, 2010 Palmdale City Council Meeting Video.

⁷⁵ Data provided by HACoLA in response to California Public Records Act request.

1 granddaughter to stay the night sometimes so she would not be alone.
2 Nevertheless, the investigators insisted on recommending termination. An
3 administrative hearing officer overturned the proposed termination finding the
4 termination was unwarranted.⁸⁰

5 b. In July 2009, a tenant living in Palmdale received a notice of
6 proposed termination solely because the investigators were informed that an
7 unauthorized tenant had listed the tenant's Section 8 unit as his place of
8 residence on police records. The investigators failed to acquire, or even seek,
9 any additional corroborating evidence. Despite this and the participant's
10 assertions that the unauthorized tenant did not actually reside at the unit, the
11 investigators recommended termination. Once again, the proposed termination
12 had to be overturned at an administrative hearing for lack of evidence.⁸¹

13 c. In August 2009, a Palmdale tenant received a notice of proposed
14 termination because an investigator alleged that an unauthorized tenant – the
15 tenant's spouse – was residing in the tenant's Section 8 unit and that the spouse
16 was engaged in criminal activity. In actuality, the tenant and the spouse had
17 been separated for years and the tenant had a restraining order against the
18 spouse because she was the victim of domestic violence. The proposed
19 termination was withdrawn after the tenant contacted HACoLA to dispute the
20 proposed termination.⁸²

21 **B. Business Licensing and Inspections for Rentals in Lancaster and**
22 **Palmdale**

23 44. Both Lancaster and Palmdale have passed rental unit inspection
24 ordinances that give the Cities an additional avenue to enter the homes of Section 8
25

26 ⁸⁰ See HACoLA Hearing Summaries, provided by HACoLA in response to California Public
27 Records Act request.

28 ⁸¹ See id.

⁸² See id.

1 HACoLA send letters to Section 8 landlords whose properties were not licensed
2 indicating that they must obtain licenses or they may lose their right to Section 8
3 payments.⁸⁷ HACoLA agreed to do so. At a March 25, 2009 meeting among
4 HACoLA; Lancaster, and Palmdale, Palmdale asked that HACoLA do the same for
5 its unlicensed landlords,⁸⁸ even though Palmdale's ordinance had traditionally not
6 been enforced against rental complexes smaller than four units.⁸⁹

7 48. Also at the March 25, 2009 meeting, the Cities devised a plan to use the
8 existence of the business licensing ordinances as a pretext for requesting lists of
9 Section 8 properties.⁹⁰ Betraying their interest in more than business licensing
10 compliance, the Cities also requested a list of the approved tenants in each rental
11 unit.⁹¹ Shortly thereafter, each City sent a nearly identical public records request to
12 HACoLA seeking a spreadsheet containing the current business license status, the
13 property owner's name, the property owner's mailing address, and the Section 8 unit
14 address for each Section 8 landlord in their respective jurisdictions.⁹² HACoLA
15 initially agreed to provide these lists, but ceased doing so in late 2010.

16 49. Both Cities have likewise used the rental inspection ordinances as a
17 means of entering Section 8 households without adhering to HACoLA rules
18 regarding investigations and compliance checks. Indeed, the Cities confirmed at the
19

20
21 ⁸⁷ See email from R. Nishimura, HACoLA, to M. Badrakhan, HACoLA, dated Mar. 30, 2009 re:
22 "Joint Cities and County Housing Authority/Section 8 Meeting."

23 ⁸⁸ See HACoLA Memo. From C. Carrillo to N. Hickling, "Section 8 Status Report," Mar. 25, 2009.

24 ⁸⁹ See Palmdale City Council Staff Report, "Discussion regarding Business Licensing, Rental
25 Housing Requirements, and Section 8 Housing," Sept. 19, 2007.

26 ⁹⁰ See email from N. Hickling, County of Los Angeles 5th Dist., to Mar. 25, 2009 meeting
27 participants dated Mar. 27, 2009 re: Joint Cities and County Housing Authority/Section 8 Meeting.

28 ⁹¹ See attachment to email from A. Gonzalez, HACoLA, to M. Badrakhan, HACoLA, dated Mar.
30, 2009 re: "Meeting Notes."

⁹² See letter from B. Boswell, Lancaster Finance Dir., to C. Carrillo, HACoLA Acting Exec. Dir.,
dated Apr. 15, 2009; letter from S. Williams, Palmdale City Manager, to C. Carrillo, HACoLA
Acting Exec. Dir., dated Apr. 28, 2009.

1 motive was unambiguous: “[t]his would be a backdoor way of controlling how many
2 vouchers are coming into the City.”⁹⁷ Both Vice Mayor Smith and Mayor Rex
3 Parris reiterated their desire to penalize landlords who rent to Section 8 tenants in a
4 March 2009 City Council meeting, with the Vice Mayor emphasizing the need for a
5 “restrictive ordinance” and the Mayor urging that “the City should be able to identify
6 the people who are going to profit from this; stop doing business with them; make it
7 known to the community who these people are; they are destroying the community;
8 have the courage to identify these people and have the courage to stop doing business
9 with these individuals.”⁹⁸

10 52. Meanwhile, Representative McKeon forwarded Lancaster’s request to
11 HUD, and, on June 17, 2009, he forwarded HUD’s response to Vice Mayor Smith. In
12 its response, HUD stated that the City’s actions were plainly counter to the Section 8
13 program’s goals of “expanding available housing choices.”⁹⁹ The HUD response
14 continued: “It is worth noting that according to HUD’s data, as of December 2008,
15 African-Americans accounted for approximately 75 percent of the city of Lancaster’s
16 voucher holders Because an overwhelming majority of city of Lancaster HCV
17 participants are minorities . . . , the proposed amendment will likely have a significant
18 disproportionate effect on these groups.”¹⁰⁰ The HUD response went on to observe
19 that “[b]ecause the majority of voucher holders in the city of Lancaster are African-
20 Americans . . . , the proposed amendment, while facially neutral, *could be found to*
21 *result in an unlawful disparate impact . . . under the [Fair Housing] Act.*”¹⁰¹

22 **C. Additional Avenues for Harassment Pursued By Lancaster**

23 53. Lancaster has greatly escalated its focus on Section 8 since 2008. In
24 June 2008, newly elected Mayor R. Rex Parris was adamant about the need to address

25 ⁹⁷ February 19, 2009 Lancaster Section 8 Commission Minutes (emphasis added).

26 ⁹⁸ March 24, 2009 Lancaster City Council Minutes.

27 ⁹⁹ Letter from B. Fulton, HUD, to H. McKeon, U.S. Congress, rec’d May 5, 2009.

28 ¹⁰⁰ Id.

¹⁰¹ Id. (emphasis added).

1 City of Los Angeles; they migrate to the Antelope Valley.”¹⁰⁷ Adhering to the
2 rhetoric that casts Section 8 participants as criminals, she continued: “Many
3 prisoners are to be paroled soon which means a number of them will be receiving
4 Section 8 housing, therefore, Lancaster will soon be inundated with another
5 group.”¹⁰⁸ In fact, individuals on parole are not eligible for Section 8 vouchers per
6 HACoLA regulations.¹⁰⁹ In a March 2009 Lancaster City Council Meeting, Mayor
7 Parris again proclaimed “there must be a reduction in rentals; reduction in Section 8
8 housing;” and that “he wants to see the numbers drop . . . it has been far too long that
9 this issue has gone on; [the City] must come up with numbers and evaluate if the City
10 is going in the right direction.”¹¹⁰ The Lancaster City Manager “stated that *the goal*
11 *of the City is to reduce the numbers to half of what is received now.*”¹¹¹

12 55. Consistent with these sentiments, Lancaster has deployed a number of
13 additional tactics in recent years above and beyond the intimidation and harassment
14 already described.

15 56. Nuisance Ordinance. In June 2008, Mayor Parris asked the City Council
16 to “[l]ook into a means for making it very easy for neighbors to file nuisance lawsuits
17 with the assistance of the City against group homes and Section 8 housing that
18 becomes a nuisance and where the owners of the property fail to protect the
19 neighbors.”¹¹² The City Council obliged. On October 14, 2008, it passed Ordinance
20 908, codified in Lancaster Municipal Code Ch. 8.52, which provides that if a property
21 is the subject of five calls to law enforcement to report “nuisance activity” in a one-
22 year period, the landlord and the tenant will receive a notice of abatement with a
23

24
25 ¹⁰⁷ February 19, 2009 Lancaster Section 8 Commission Minutes.

¹⁰⁸ Id.

¹⁰⁹ HACoLA Administrative Plan Section 2.8.1.

¹¹⁰ March 24, 2009 Lancaster City Council Minutes.

¹¹¹ Id. (emphasis added).

¹¹² June 10, 2008 Lancaster City Council Minutes.

1 58. One of the first ideas put forth by the Section 8 Commission was a so-
2 called "Good Neighbor Guide," which was suggested by Council Member Marquez
3 on the grounds that "[p]eople need to get involved in calling in on such things as
4 Section 8 code violations," or as the City Manager called them, "problem renters."¹²¹
5 The "Good Neighbor Guide" went through several iterations, but was up on
6 Lancaster's city website by August 2009.¹²²

7 59. After formation of a regional housing authority was deemed cost-
8 prohibitive, the Section 8 Commission was renamed the "Neighborhood Vitalization
9 Commission." Nonetheless, its mission statement continued to reflect animus against
10 Section 8 participants: "The Lancaster Neighborhood Vitalization Commission will
11 examine the ongoing cumulative *negative effects of an over-abundance of publicly-*
12 *subsidized housing*, and *recommend policies and programs to deter the*
13 *proliferation of subsidized housing* until such time as the city is able to achieve fair-
14 share parity with other cities in Los Angeles County."¹²³ In practice, the Commission
15 continued to have regular meetings with HACoLA and County staff and to focus
16 much of its efforts on Section 8 participants.

17 60. For example, in July 2009, the Neighborhood Vitalization Commission
18 sent a letter to newly appointed HACoLA Executive Director Sean Rogan, purporting
19 to follow up on a campaign discussed and agreed upon at the March 25, 2009 meeting
20 to dissuade Section 8 participants from coming to the Antelope Valley. The letter
21 asked, among other things: "1. Where are we with the Cities of Lancaster and
22 Palmdale taking part in the orientation for new Section 8 Voucher holders at the
23 Palmdale office? Also, has a DVD been prepared that was discussed at the meeting in
24 Palmdale several months ago? 2. Where are we with the [HACoLA] doing an ad
25

26 ¹²¹ July 8, 2008 Lancaster City Council Minutes; Sept. 3, 2008 Lancaster City Council Minutes.

27 ¹²² Aug. 3, 2009 Lancaster Neighborhood Vitalization Commission Minutes.

28 ¹²³ Lancaster Neighborhood Vitalization Commission Mission Statement, Feb. 2009 (emphasis added).

1 agree to do an ad campaign to let Voucher holders know that it is expensive to live in
2 the Antelope Valley and that there are very few available jobs in the area. The
3 Housing Authority indicated that both landlords and tenants can access housing
4 availability throughout the County on the socialserve.com website. *At the last*
5 *meeting it was mentioned that Fair Housing laws do not allow steering program*
6 *participants.*¹³⁰ Rogan further refused to comply with Lancaster's request for
7 additional information on a monthly basis.¹³¹ However, he did provide the
8 information requested on a one-time basis, informing the Commission that the
9 number of elderly in Lancaster was 332, the number of disabled was 892, and the
10 remainder was 1157.¹³²

11 63. Further Demands of HACoLA. Undeterred by the Neighborhood
12 Vitalization Commission's failure to get substantial cooperation from HACoLA in
13 these efforts to make Lancaster less attractive to Section 8 tenants, Lancaster City
14 Manager Mark Bozigian wrote to Rogan again in October 2009. In his letter,
15 Bozigian asked HACoLA to create a local preference list for Lancaster; to create a
16 more onerous pre-approval process for Section 8 applicants by requiring inspections
17 and interviews in their current residences; and to develop specific qualification
18 criteria for Lancaster applicants and landlords, including criminal background checks
19 for all household members over the age of fifteen, extended background checks, and
20 imposing a "one strike" rule for drug-related activity.¹³³ Moreover, Bozigian asked
21 that "[i]f any family member is arrested, regardless of the charge, the voucher holder
22 must report the arrest to the Housing Authority, which will, in turn, report the arrest
23 to the City of Lancaster and reevaluate the qualifications of the family to participate
24

25 ¹³⁰ Id. (emphasis added).

26 ¹³¹ See id.

27 ¹³² Id.

28 ¹³³ See letter from M. Bozigian, Lancaster City Manager, to S. Rogan, HACoLA Exec. Dir., dated Oct. 16, 2009.

1 Lancaster that is capable of providing the information.”¹⁴⁰ The network Mayor Parris
2 referred to is a system of truancy ticketing and truancy sweeps under which students
3 may be fined for being late for school, and which has itself been criticized as
4 targeting black and Latino students.¹⁴¹ Although HACoLA has refused to accede to
5 Lancaster’s request, as late as April 2011, Lancaster was still pursuing a means to
6 make truancy a ground for Section 8 termination, still in the complete absence of any
7 factual basis for asserting that truancy by the children in Section 8 participant
8 families is a problem.¹⁴²

9 66. Attempt to Secede from HACoLA. Most recently, Lancaster has been
10 considering a revised proposal to seize control of Section 8 operations from
11 HACoLA, which would free it to devise Section 8 regulations as draconian as
12 possible within the broad discretion given by HUD to local housing authorities.¹⁴³ As
13 noted above, Lancaster’s Section 8 Commission was originally formed to explore the
14 possibility of creating a local Public Housing Authority that would replace HACoLA
15 as the Section 8 program administrator in Lancaster.¹⁴⁴ Upon review of the financial
16 and logistical obstacles to creating its own Public Housing Authority, the
17 Commission and its consultants recommended in 2009 against taking over
18 administration of Section 8.¹⁴⁵ Notably, the pertinent Commission minutes reflect that
19 “[t]he proposed recommendation not to take over the administration of the [Section 8]
20 program is not solely based on the lack of new vouchers, the cost to administer the
21 program, and lack of will to create a multi-jurisdictional housing authority. The
22

23 ¹⁴⁰ Oct. 26, 2010 Lancaster City Council Meeting Video.

24 ¹⁴¹ See Britney M. Walker, Truancy Proving to Be a Costly Issue for Lancaster Students, Parents,
Our Weekly, Mar. 10, 2011.

25 ¹⁴² See Apr. 5, 2011 Lancaster Neighborhood Vitalization Commission Agenda

26 ¹⁴³ See Apr. 5, 2011 Lancaster Neighborhood Vitalization Commission Agenda; May 3, 2011
Lancaster Neighborhood Vitalization Commission Agenda.

27 ¹⁴⁴ See Oct. 16, 2008 Lancaster Section 8 Commission Minutes; Feb. 19, 2009 Lancaster Section 8
Commission Minutes.

28 ¹⁴⁵ See Feb. 19, 2009 Lancaster Section 8 Commission Minutes.

1 the fear she lived with – both for her own wellbeing and, more importantly, for that of
2 her children – outweighed the benefit of remaining in her Antelope Valley home.

3 68. Plaintiff Jane Roe lived in Lancaster for roughly ten years while working
4 as a preschool teacher and receiving rental assistance from the Section 8 program.
5 She and her four youngest children lived in a home that was safe and comfortable,
6 and her children attended the local schools and got excellent grades.

7 69. While living in the Antelope Valley, Ms. Roe was always careful to
8 avoid telling anyone that she used Section 8 to help her pay her rent, particularly in
9 the last few years. Comments by Mayor Parris and others in the City government
10 about their desire to reduce the number of Section 8 participants in Lancaster made
11 Ms. Roe fear that she might lose her Section 8 voucher if she drew attention to
12 herself, and made her fear being branded with the stereotypes that Mayor Parris and
13 others ascribed to Section 8. Her fears were only heightened as she heard from
14 friends that many Section 8 families in Lancaster were having their vouchers
15 terminated.

16 70. In late 2009, Ms. Roe's fears were realized. Sheriff's deputies came to
17 her home one day while she was at work, apparently responding to a call about a
18 potential burglary. There was no burglary. Rather than leaving once it was apparent
19 that Ms. Roe's home was not being burglarized, the Sheriff's deputies determined
20 that the home was a Section 8 unit and contacted HACoLA. A HACoLA investigator
21 paid for by the City arrived, and together with the deputies, searched the entire home.
22 The deputies also apparently reported Ms. Roe to the Department of Children and
23 Family Services and to Lancaster Code Enforcement. Ms. Roe's son was
24 understandably frightened and called her at work. She came home immediately but
25 the deputies and investigators had already left by the time she arrived.

26 71. A few weeks later, Ms. Roe received a notice of proposed termination of
27 her Section 8 voucher – which she challenged before HACoLA and won. The
28

1 75. Plaintiff Judy Doe lived in Palmdale for about three and a half years.
2 She and her children lived in a home that was safe and comfortable, and her children
3 attended the local schools and were happy there.

4 76. Beginning in 2009, Palmdale's investigator Brody and local sheriff's
5 deputies began a series of "compliance checks" (as the investigator called them) or
6 "probation sweeps" (as the deputies called them) which ultimately led Ms. Doe to
7 leave Palmdale. Each of these checks was conducted without any justification, and
8 most involved an excessive and intimidating show of force.

9 77. At the first compliance check/probation sweep, investigator Brody and
10 approximately fifteen sheriff's deputies appeared at Ms. Doe door with their guns out
11 of their holsters. In the face of this show of force, Ms. Doe allowed them to enter her
12 home, fearing her Section 8 voucher would be in jeopardy if she did not. Investigator
13 Brody and the deputies asked her who in the household was on probation, and she
14 responded that her two sons – both minors – were on probation. Investigator Brody
15 and the deputies then proceeded to search her home before they finally left. The
16 experience left Ms. Doe scared, because she did not understand why her home was
17 being searched or why the deputies had their guns drawn.

18 78. A few months later, Brody returned to Ms. Doe's home, again
19 accompanied by about fifteen armed deputies. The deputies and Brody asked Ms.
20 Doe where her sons were – they were in school. Brody and the deputies left.

21 79. A few months after that, Ms. Doe received a notice of proposed
22 termination of her Section 8 voucher. The ground for termination was her alleged
23 failure to report her sons' juvenile adjudications. HACoLA scheduled a conference
24 at the Palmdale HACoLA office. At the meeting, Brody showed Ms. Doe that he had
25 her sons' juvenile records, telling her that the deputies give him any information he
26 wants related to a Section 8 household. Brody told Ms. Doe that her voucher could
27 be terminated because she had not reported the contents of her sons' juvenile records
28 to HACoLA. He threatened Ms. Doe's 15-year-old son, telling him that his brother

1 limited transportation and did not want to take her children out of their school, so she
2 was constrained to look for housing in the Antelope Valley.

3 84. Ms. Doe again found that the Cities' stigmatization of Section 8 tenants,
4 as well as their harassment of Section 8 landlords, was having an effect. Most
5 landlords she approached said they would not take a Section 8 voucher. Ms. Doe
6 found that landlords in both Cities appeared to accept the Cities' message that most
7 Section 8 tenants were criminals and should not be welcomed. Ms. Doe finally found
8 a place to rent in Lancaster. However, she still hopes to leave the Antelope Valley
9 because of the atmosphere of hostility and harassment that the Cities have created
10 there. If her family could live in the Antelope Valley without harassment, she would
11 continue living there so that her children could benefit from the good neighborhoods
12 and schools.

13 **FIRST CAUSE OF ACTION**

14 **42 U.S.C. § 3604(a)**

15 **AGAINST ALL DEFENDANTS**

16 85. Plaintiffs repeat and incorporate by reference the allegations set forth in
17 paragraphs 1 through 82 above.

18 86. The Fair Housing Act, 42 U.S.C. § 3604(a) provides that: "It shall be
19 unlawful . . . [t]o refuse to sell or rent after the making of a bona fide offer, or to
20 refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a
21 dwelling to any person because of race, color, . . . or national origin."

22 87. The Cities of Lancaster and Palmdale have violated 42 U.S.C. § 3604(a)
23 by undertaking a series of actions expressly designed to exclude and discriminate
24 against Section 8 participants in their Cities, including: (1) subjecting current tenants
25 to unwarranted, constant surveillance and harassment as well as frequent invasions of
26 their homes under the guise of investigations and compliance checks; (2) attempting
27 to dissuade landlords from renting to Section 8 tenants and subjecting those who do
28 to increased surveillance and harassment; and (3) attempting additional action to

1 to dissuade landlords from renting to Section 8 tenants and subjecting those who do
2 to increased surveillance and harassment; and (3) attempting additional action to
3 dissuade would-be Lancaster and Palmdale residents from moving to the Antelope
4 Valley.

5 94. The vast majority of Section 8 participants are either black or Latino,
6 and Section 8 has been targeted by Defendants because the vast majority of Section 8
7 participants are black or Latino.

8 95. Defendants' actions constitute a pattern or practice of intentional
9 exclusion and discrimination. These actions also have an unjustified disparate impact
10 on blacks and Latinos, who make up the vast majority of Section 8 participants in
11 Lancaster and Palmdale, and in Los Angeles County. Therefore, these actions have
12 the effect of discriminating against Plaintiffs in the terms, conditions, or privileges of
13 sale or rental of a dwelling, or in the provision of services or facilities in connection
14 therewith because of race, color or national origin in violation of 42 U.S.C. §
15 3604(b).

16 96. As a direct and proximate result of Defendants' unlawful conduct,
17 Plaintiffs have suffered irreparable harm and this harm will continue absent
18 injunctive relief.

19 **THIRD CAUSE OF ACTION**

20 **42 U.S.C. § 3617**

21 **AGAINST ALL DEFENDANTS**

22 97. Plaintiffs repeat and incorporate by reference the allegations set forth in
23 paragraphs 1 through 82 above.

24 98. The Fair Housing Act, 42 U.S.C. § 3617 provides that: "It shall be
25 unlawful to coerce, intimidate, threaten, or interfere with any person in the exercise or
26 enjoyment of, or on account of his having exercised or enjoyed, or on account of his
27 having aided or encouraged any other person in the exercise or enjoyment of, any
28 right granted or protected by section 3603, 3604, 3605, or 3606 of this title."

1 designed to exclude and discriminate against Section 8 participants in their Cities,
2 including: (1) subjecting current tenants to unwarranted, constant surveillance and
3 harassment as well as frequent invasions of their homes under the guise of
4 investigations and compliance checks; (2) attempting to dissuade landlords from
5 renting to Section 8 tenants and subjecting those who do to increased surveillance and
6 harassment; and (3) attempting additional action to dissuade would-be Lancaster and
7 Palmdale residents from moving to the Antelope Valley.

8 126. The vast majority of Section 8 participants are either black or Latino,
9 and Section 8 has been targeted by Defendants because the vast majority of Section 8
10 participants are black or Latino.

11 127. Defendants' actions constitute a pattern or practice of intentional
12 exclusion and discrimination on the basis of race and ethnicity. Therefore, these
13 actions have the effect of denying Section 8 tenants within the Cities' jurisdiction the
14 equal protection of the laws.

15 128. As a direct and proximate result of Defendants' unlawful conduct,
16 Plaintiffs have suffered irreparable harm and this harm will continue absent
17 injunctive relief.

18 **PRAYER FOR RELIEF**

19 WHEREFORE, Plaintiffs pray for judgment:

- 20 1. Declaring that Defendants' actions seeking to exclude and discriminate
21 against Section 8 participants violate state and federal law;
- 22 2. Enjoining Defendants from taking any further actions designed to
23 exclude and discriminate against Section 8 participants;
- 24 3. Declaring that Defendants' actions seeking to dissuade Section 8
25 participants from residing in the Cities violate state and federal law;
- 26 4. Enjoining Defendants from taking any further actions designed to
27 dissuade Section 8 participants from residing in the Cities;

28