

Bond Case Briefs

Municipal Finance Law Since 1971

EMINENT DOMAIN - CALIFORNIA

Gearing v. City of Half Moon Bay

United States Court of Appeals, Ninth Circuit - December 8, 2022 - F.4th - 2022 WL 17492266

Landowners brought § 1983 action against city, alleging a regulatory taking and related claims.

City moved for federal court to abstain pending resolution of state-court eminent domain action, which the United States District Court for the Northern District of California granted. Landowners appealed.

The Court of Appeals held that:

- Even if *Pullman* abstention was prohibited when it would create effective exhaustion requirement for a takings plaintiff, abstention from instant action would not subject landowners to such a requirement;
- Landowners' action touched on sensitive area of social policy, supporting determination that *Pullman* abstention was appropriate;
- Constitutional question in federal action could be mooted or narrowed by a definitive ruling on state law issues, supporting determination that *Pullman* abstention was appropriate; and
- Federal action involved unclear question of state law, supporting determination that *Pullman* abstention was appropriate.

Even if *Pullman* abstention was prohibited when it would create effective exhaustion requirement for a takings plaintiff, abstention from landowners' § 1983 action against city, alleging a regulatory taking and related claims, would not subject landowners to effective exhaustion requirement, supporting district court's determination that *Pullman* abstention was appropriate pending resolution of city's state-court eminent domain action against landowners; state court could adjudicate the eminent domain action without reaching the regulatory taking issue because eminent domain and regulatory takings suits compensated a property owner for different injuries, and landowners had made express reservation in state court to prevent ruling on federal issues.

Landowners' § 1983 action against city, alleging a regulatory taking and related claims, touched on sensitive area of social policy, supporting district court's determination that *Pullman* abstention was appropriate pending resolution of city's state-court eminent domain action against landowners, where landowners' federal claim arose from city's denial of building proposal pursuant to city land use plan.

Constitutional question in landowners' federal action, a § 1983 claim alleging a regulatory taking arising from city's denial of building proposal pursuant to city land use plan, could be mooted or narrowed by a definitive ruling on state law issues, supporting district court's determination that *Pullman* abstention was appropriate pending resolution of city's state-court eminent domain action against landowners; state action would require court to interpret sections of land use plan which were relevant to federal action, because such interpretation would be required for determination of properties' fair market values.

Landowners' § 1983 claim alleging a regulatory taking arising from city's denial of building proposal pursuant to city land use plan involved an unclear question of state law, supporting district court's determination that Pullman abstention was appropriate pending resolution of city's state-court eminent domain action against landowners; case involved interaction between land use plan and state senate bill prohibiting the rejection of certain affordable-housing proposals, and senate bill had not yet been interpreted by any state courts.