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ENDORSED
FILED
San Francisco County Superior Court

APR 06 1992

DONALD W. DICKINSON, Clerk

Attorneys for Petitioner/Plaintiff

BY: _____
Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE CITY AND COUNTY OF SAN FRANCISCO

JACQUELINE MCKNIGHT,

No. 915 838

Petitioner/Plaintiff,

STIPULATION FOR ENTRY OF
JUDGEMENT AND ORDER

vs.

LINDA McMAHON, Director
State Department of Social
Services and CALIFORNIA
DEPARTMENT OF SOCIAL SERVICES;
DOES 1-X,

Respondents/Defendants.

Plaintiff JACQUELINE MCKNIGHT and Defendants LINDA McMAHON,
Director of the State Department of Social Services and CALIFORNIA
DEPARTMENT OF SOCIAL SERVICES, by and through the undersigned
attorneys, hereby stipulate for entry of judgment on plaintiff's
Petition for Writs of Mandate (CCP Sections 1094.5, 526a, W&IC
Section 10962, CCP Section 1085), and Complaint for Declaratory
and Injunctive Relief as follows:

I. The current State Department of Social Services
regulations on motor vehicle valuation for the AFDC program, as
set forth at MPP Section 42-215.4, are inadequate with respect to
cases where the applicant or recipient disagrees with the

1 Department of Motor Vehicles method of valuation.

2 II. (a) The current State Department of Social Services
3 regulations on motor vehicle valuation, as set forth at MPP 42-
4 215.4, shall be replaced by new regulatory language which mandates
5 counties to make a reasonable evaluation of a claimant's motor
6 vehicle. This method of reasonable evaluation may include, but
7 shall not be limited to, any of the following, no one of which
8 shall necessarily be dispositive: 1) the current Department of
9 Motor Vehicles (DMV) method for establishing value, acceptable
10 unless shown to be inaccurate; 2) the wholesale "Blue Book"
11 value; 3) bills of sale; 4) newspaper advertisements; 5)
12 written statements from motor vehicle dealers as to the value of
13 the vehicle; (6) and testimony/statements as to the value and/or
14 condition of the vehicle.

15 (b) Where the applicant or recipient believes the current DMV
16 method for establishing the value is inappropriate when applied to
17 his or her motor vehicle, s/he shall be given the opportunity to
18 establish the vehicle's value through estimates of repair,
19 photographs of the vehicle, sworn statements as to the condition
20 of the vehicle, or any other evidence including advertisements.

21 (c) If the applicant is unable to establish the value of the
22 vehicle, it shall be the responsibility of the county to establish
23 the value of the vehicle. If the applicant/recipient disagrees
24 with the valuation, s/he may appeal and request a fair hearing.

25 (d) Whenever the county determines that the value of a motor
26 vehicle causes ineligibility, it shall inform the applicant or
27 recipient in the Notice of Action denying or discontinuing AFDC,
28 that the applicant or recipient can offer evidence to show that

1 the property is not correctly valued.

2 (1) In the case of a recipient the county shall
3 mail a notice of action discontinuing her/his AFDC
4 benefits informing the recipient of the Department
5 of Motor Vehicles valuation and the right of the
6 recipient to provide the County with alternative
7 proof of the value of the car. If, before the
8 discontinuance goes into effect, the recipient
9 provides alternative proof which shows that the
10 motor vehicle is within the property limitation,
11 then the discontinuance shall be rescinded or the
12 recipient restored to aid.

13 (2) All of the notices mentioned in this
14 subparagraph shall contain the following
15 information: "You may get free legal help at
16 your local legal aid or welfare rights office.

17 III. (a) The Defendant shall issue an All County Letter
18 that includes this order and shall advise the counties regarding
19 the above described change in the policy concerning the method of
20 establishing the value of a motor vehicle for the purposes of
21 determining AFDC eligibility, and shall instruct counties to
22 comply with these changes until the regulation is formally
23 amended.

24 (b) The All County Letter shall be completed and sent to
25 Plaintiff's counsel for comment within 45 days of the date this
26 order is final. If, within 30 days thereafter, the parties cannot
27 agree upon the content of the letter, the plaintiff shall have an
28 additional 30 days within which to move the court for an order

1 resolving the dispute.

2 IV. (a) The defendant shall insert at MPP 42-215.4 as
3 handbook material an amendment that the current regulation at 42-
4 215.4 has been declared invalid by a judgement in McKnight v.
5 McMahon. The handbook section will instruct the counties to
6 comply with this order and shall summarize the relevant parts of
7 the order.

8 (b) The handbook section shall inform the counties that the
9 regulation is inadequate in that (1) it fails to allow for
10 alternative forms of evidence as to the value of the motor vehicle
11 and (2) it fails to require a county to assist an applicant or
12 recipient in cases where the Department of Motor Vehicles' method
13 is not accurate, and where the applicant or recipient is unable to
14 independently establish the value of the vehicle.

15 (c) The handbook section shall state that methods of
16 reasonable evaluation used may include, but are not limited to,
17 any of the following: 1) the current Department of Motor Vehicles
18 method for establishing value where both the county and the
19 applicant or recipient agree that such valuation is acceptable;
20 2) the wholesale "Blue Book" value; 3) bills of sale, 4)
21 newspaper advertisements; and 5) written statements for motor
22 vehicle dealers as to the value of the vehicle; and
23 testimony/statements as to the value and/or condition of the
24 vehicle.

25 (d) The handbook section shall state that where the
26 applicant or recipient believes that the current DMV method of
27 valuation is inappropriate when applied to his or her motor
28 vehicle, s/he shall be given the opportunity to establish the

1 vehicle's value through estimates of repair, pictures of the
2 vehicle, sworn statements as to the condition of the vehicle or
3 any other evidence including advertisements.

4 (e) The handbook section shall instruct the counties to
5 assist the applicant or recipient in establishing the value of the
6 vehicle, or if the individual cannot establish the value, the
7 county shall establish the value with the cooperation of the
8 applicant or recipient.

9 V. The defendant Director shall set aside the administrative
10 hearing decision in this matter, dated December 8, 1989, in so far
11 as it denies the plaintiff eligibility for AFDC and Food Stamps
12 benefits based upon her inability to provide three (3) appraisals
13 of the value of her motor vehicle. The Director shall issue a new
14 decision which finds that the plaintiff's motor vehicle was below
15 those limits necessary for AFDC and Food Stamp eligibility and
16 which orders the respondent to pay the plaintiff any and all AFDC
17 and Food Stamp benefits which were denied as a result of the
18 administrative hearing decision.

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2 VI. The defendants shall pay to plaintiff's attorneys a
3 reasonable attorney fees, the sum to be determined by negotiations
4 or, in the alternative, by motion to this Court filed within 90
5 days of the entry of this Order.
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7 Daniel E. Lungren, Attorney General
8 of the State of California

9 Dated: March 20 ~~February~~, 1992

By: 

10 ASHER RUBIN
11 Deputy Attorney General
12 Attorneys for Defendants

13 Dated: March 24 ~~February~~, 1992

14 SAN FRANCISCO NEIGHBORHOOD
15 LEGAL ASSISTANCE FOUNDATION

16 By: 

17 MICHAEL D. KEYS
18 Attorneys for Plaintiff

19 ORDER

20 It is ORDERED, ADJUDGED AND DECREED that the terms and
21 agreements as set forth in the attached Stipulation for Entry of
22 Judgement of Plaintiff's Petition for Writ of Mandate and
23 Complaint Declaratory and Injunctive Relief shall be and hereby
24 are the Order of this Court.

25 Date: MAR 27 1992

26 EDWARD STERN
27 PRESIDING JUDGE
28 JUDGE OF THE SUPERIOR COURT