



CITY OF COSTA MESA

P.O. BOX 1200, COSTA MESA, CALIFORNIA 92628-1200

FROM THE OFFICE OF THE MAYOR

Attachment 1

August 5, 2025

The Honorable Maria Hernandez
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Dear Judge Hernandez,

Thank you for the opportunity to respond to the findings of the 2024-2025 Grand Jury Report, published on May 22, 2025, titled, "Long-Term Solutions to Short-Term Rentals." Over the past several years the City of Costa Mesa has sought tools to address our housing crisis by adopting policies to encourage new and affordable housing. This includes adopting an interim ordinance on November 10, 2020, to address the impacts of short-term rentals (STRs) on housing availability that worsened during the COVID-19 pandemic. The ordinance was made permanent on November 2, 2021, with a minor revision to allow for home sharing.

Please see the **City's responses** directly below each of the Findings:

F1. Despite the increasing media coverage of Online Booking Agencies (OBAs), STRs are not a new phenomenon in Orange County.

City Response: The City agrees. Issues related to STRs date back to before the COVID-19 pandemic when cities reacted to complaints focused on curfew and noise violations in residential neighborhoods. In 2020, federal and state pandemic restrictions on travel and social gatherings led to a growth in STRs as an alternative to restrictions enforced at hotels or other public spaces. That same year Costa Mesa adopted its interim urgency ordinance in response to increasing complaints over noise, vandalism, gun-related incidents, parking violations and disturbing the peace violations connected to STRs.

F2. The steady growth of STR usage in the last decade raises concerns of potential public nuisance.

City Response: The City agrees. As stated in the City Council resolution adopting the interim ordinance on STRs, "the City has also begun experiencing an increase in the number of complaints related to these operations, which complaints have included noise, vandalism, gun-related incidents including a drive-by shooting, parking violations, and disturbing the peace."

These concerns led to the adoption of both the interim and permanent ordinance.

- F3. Even with robust Code Enforcement, a city's statutory ban on STRs is not enough to keep STRs from operating.*

City Response: The City agrees. Robust code enforcement cannot achieve 100% compliance or prevention on issues of public nuisance. The City relies on multiple strategies to educate the public and provide quality alternatives for accommodations or hosting events besides seeking out a short-term rental. This includes promoting hotels and other spaces that can meet the various needs of conferences, business travelers, or family vacations. This is promoted through our travel and visitor partners at Travel Costa Mesa (<https://www.travelcostamesa.com>).

Additionally, local economic development groups such as the South Coast Metro Alliance and the Costa Mesa Chamber of Commerce encourage visitors to use local hotels for their stays or other events.

- F12. City leaders have no regular communication with each other concerning STR issues, limiting opportunities to develop strategies and expertise to improve service.*

City Response: The City disagrees. The League of California Cities, Association of California Cities-Orange County (ACC-OC), and city leaders have been engaged in conversations at various levels on the impacts of STRs. In 2018, the ACC-OC convened a dedicated STR Working Group to explore best practices and potential policy approaches. The 2024 League of California Cities conference included an education session on code enforcement issues including STRs. Lastly, the League of California Cities is sponsoring SB 346 to improve city enforcement of local ordinances related to STRs.

Lastly, earlier this year the City considered the impacts of our ordinance on options for victims of the tragic Palisades and Alta-Dena fires. Fortunately, the City and Travel Costa Mesa were successful in directing residents from those affected areas to local hotels that provided rooms at a reduced rate to victims.

Please see the City's responses directly below each of the Recommendations:

- R1. Cities should review and begin to update ordinances to keep up with the rapidly changing nature of court findings and legislation related to STRs, by December 31, 2025, and no less frequently than every three years thereafter.*

City Response: The City reviews and tracks changes with federal and state laws or regulations to ensure all ordinances are compliant. This was evident in our 2021 update of the City's STR ordinance in response to Senate Bill 60 (Chapter 307, Statutes of 2021). The City is actively tracking legislation this year for impacts to the ordinance that may require revisions if signed into law.

- R2. *Cities should consider developing a plan for upcoming major events that are expected to create a surge in demand for STRs and its associated Transient Occupancy Tax, by December 31, 2025, and no less frequently than every two years thereafter.*

City Response: The City is actively engaged in planning for upcoming major events by coordinating with Travel Costa Mesa and local business groups. The City is experienced in preparing for visitors attending large events such as the annual Orange County Fair, NFL pre-season training camps, and conferences.

- R9. *City leaders should have regular discussions with each other to share STR management strategies on a biannual basis commencing no later than January 1, 2026.*

City Response: The City agrees and is participating in those conversations currently with League of California Cities, Association of California Cities-Orange County, and other city partners.

The City of Costa Mesa will continue to review and respond to issues of concern related to STRs in our community. Thank you for the opportunity to respond and if you should need further information, please do not hesitate to contact Carrie Tai, Economic and Development Services Director at 714-754-5270.

Sincerely,

Mayor John Stephens
City of Costa Mesa

C: Costa Mesa City Council
Cecilia Gallardo-Daly, Interim City Manager
Carrie Tai, Economic and Development Services Director