



## Agenda Report

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Item #: 24-

Meeting Date: 05/07/2024

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**TITLE:**

**UPDATE REGARDING THE CITY'S TENANT PROTECTION ORDINANCE**

**DEPARTMENT: CITY MANAGER'S OFFICE**

**PRESENTED BY: NATE ROBBINS, NEIGHBORHOOD IMPROVEMENT MANAGER AND  
SERGIO ESCOBAR, MANAGEMENT ANALYST**

**CONTACT INFORMATION: NATE ROBBINS, NEIGHBORHOOD IMPROVEMENT  
MANAGER (714) 754-5274**

**RECOMMENDATION:**

Staff recommends the City Council receive and file this update regarding the City's Tenant Protection Ordinance.

**BACKGROUND:**

At the direction of the City Council and in an effort to assist Costa Mesa residents when facing eviction, and also assist landlords in complying with State law, staff worked with the City Attorney's Office to draft an urgency ordinance to ensure protections for residents facing a no-fault just cause eviction.

On November 7, 2023, the City Council voted to adopt Urgency Ordinance No. 2023-04 (Ordinance), amending Title 9 of the Costa Mesa Municipal Code by adding Chapter II, Article 24 (Just Cause Residential Tenant Protections) and declared the Ordinance to be an emergency measure to take effect immediately upon adoption. The Ordinance, in addition to codifying the provisions of State legislation in AB1482 and SB567, further increased local tenant protections by including the following requirements:

1. All components of SB567 that would otherwise go into effect on April 1, 2024, were immediately enacted upon adoption of the Ordinance on November 7, 2023.
2. Property owners must notify the City within 72 hours of serving a tenant a no-fault just cause eviction.
3. Property owners required to pay relocation assistance must pay an amount equal to the Small Area Fair Market Rents published annually by the Department of Housing and Urban Development.

In order to implement the program authorized by the Ordinance, the City Council approved the hiring of up to two (2) full-time Outreach Workers in the Neighborhood Improvement Division, if needed, a Senior Planner in the Economic and Development Services Department (EDSD) to assist property owners and tenants through the no-fault eviction process and a Code Enforcement Officer.

Further, the City Council appropriated \$300,000 in American Rescue Plan Act (ARPA) funds to be awarded to local partners for the provision of supplemental case management and financial assistance to Costa Mesa households facing no-fault eviction. Lastly, the City Council allocated \$250,000 in ARPA funds, if needed, to Jones & Mayer for any required legal advice.

Further information regarding the November 7, 2023 meeting can be found here:

- [Agenda Report](#)
- [Urgency Ordinance No 2023-04](#)
- [Council Meeting Video](#)

The City Council has requested an update from staff on the City's Tenant Protection Program which has now been in effect for six (6) months and has proven to have a significant impact in aiding those facing no-fault eviction and who are at risk of becoming homeless. It has also significantly aided landlord and property owners in understanding and complying with State and local rules regarding no fault evictions.

### **ANALYSIS:**

Since adopting the Ordinance on November 7, 2023, the City has received correspondence from 103 individuals (unduplicated) requesting information regarding the provisions of the law and other eviction-related topics. Approximately 55 of these inquiries were residents seeking clarity regarding the rights afforded to them by the City's Ordinance. The other 48 inquiries were property owners (or their representatives) seeking clarity on their rights as owners and the definition of lawful just cause evictions. The information provided by the City to educate the public likely prevented landlords from inadvertently conducting unlawful evictions and equipped residents with the knowledge to better understand their rights as tenants.

The City has three methods by which tenants and landlords may inquire about eviction-related matters. Tenants and landlords may contact staff in person at City Hall, email [evictions@costamesaca.gov](mailto:evictions@costamesaca.gov), or call 714-754-5346. Email is the most used method to contact the City. Of the 103 inquiries made, 57 were emails, 28 were in-person inquiries, and 18 were calls. Spanish bilingual staff is available to assist Spanish-speaking individuals in any of the three methods of inquiry. Calls and emails are typically answered within 72 hours.

In addition to requests for information, the City has received from property owners a total of 35 eviction notices (See Attachment 1). Twenty-five (25) of the notices were no-fault evictions, which occur when a property owner chooses to evict a tenant for one of four allowable justifications and in the absence of any wrongdoing by the tenant. Another ten (10) of the notices were for at-fault evictions, which occur when a property owner chooses to evict a tenant who has breached one or more terms of the rental agreement. Each eviction notice received by the City is reviewed by staff to ensure it contains the specific language and back-up documentation required by law. These eviction notices are categorized as follows:

1. No-Fault, Compliant – Eight (8) eviction notices were deemed compliant upon initial review and no further action was required.
2. No-Fault, Reissued – Thirteen (13) eviction notices were deemed non-compliant upon initial review and withdrawn by the owner. The owner subsequently amended the notices and reissued them to the tenants. Nine (9) of the reissued notices were deemed compliant upon second review and four (4) are currently under review.
3. No-Fault, Withdrawn – Four (4) eviction notices were deemed non-compliant upon initial review and withdrawn by the owner. None of these notices have been resubmitted for staff review nor have the owners expressed intent to reissue updated notices to their tenant(s).
4. At-Fault – Ten (10) eviction notices were for failure to pay rent or general breaches of the rental contract. While at-fault eviction notices are not required to be submitted to the City, staff may be contacted owners or tenants to attempt to facilitate a resolution. Residents facing an at-fault eviction for failure to pay rent are referred to the Costa Mesa Rental Assistance Program operated by Mercy House. Eligible households may receive financial assistance of up to \$10,000 in arrears and six (6) months of future rent.

In sum, for the almost six (6) month period following the adoption of the Tenant Protection Ordinance (November 7, 2023, through April 30, 2024), there were a total of 35 households in the City that received eviction notices (25 no-fault and 10 at-fault). This number represents an approximate 50 percent reduction in the total number of eviction notices issued to residents than in the four (4) month period that preceded the Ordinance when a total of 67 eviction notices were issued to residents (approximately 63 no-fault and 4 at-fault). This data suggests the adoption of the Ordinance, coupled with a robust community outreach and education strategy, may have helped educate landlords, property managers and tenants understand the law and reduce certain evictions from taking place. It appears the program implemented by the City equipped both landlords and residents with the knowledge to better understand current State and local laws, and each parties' respective obligations and rights.

#### Assistance to Residents

All households that received a compliant no-fault eviction notice were contacted by a City Outreach Worker to offer voluntary case management and referrals to our local service partners for supplemental assistance. While not all households require case management, most express deep gratitude to the City for reaching out and offering support in their time of need. The services available to residents facing no-fault eviction are:

- **Intensive case management by Outreach Worker.** To date, five (5) of the twenty one (21) households who received a lawful no-fault eviction notice have requested case management, which includes the following services:
  - Needs Assessment – An in-depth look at a household's overall situation to identify challenges related to employment, housing, and health. The Outreach Worker takes a “strengths-based” approach that empowers clients to identify and apply one’s strengths to achieve goals, rather than fixating on weaknesses or deficiencies.

- Income Determination – Collecting income documentation for all adult residents to officially determine a household's annual income. This determination is valid for 12 months and establishes eligibility for all income-based programs and resources.
- Housing Plan – The process of developing goals to identify, secure, and retain the best possible housing solution for a client household.
- Housing Search Assistance – Educating and coaching households on how to search for and apply to various housing options in and around the areas they wish to reside.
- Referrals – Connecting households to all available resources related to employment, housing, and health to ensure the best possible outcomes and achieve the highest level of self-sustainability.

City staff are finalizing funding agreements with Families Forward and SPIN to provide the following services to households facing no-fault eviction:

- **Up to \$500 for moving-related expenses.** To date, one (1) of the twenty one (21) households who received a no-fault eviction notice has utilized this service. This service is available to all residents facing no-fault eviction, regardless of income, and is rendered by our partner providers Families Forward and Serving People In Need (SPIN). Examples of eligible items include a dumpster rental, moving boxes, hiring a moving company, and/or renting a moving van. No direct payments are made to tenants as purchases are completed by the provider on behalf of the household. This service is only available before a household vacates their unit and is not available retroactively.
- **Supplemental financial assistance.** This service is available to households at or below 50% of the Area Median Income (AMI) (i.e., \$78,900/yr for a 4-person household). Eligible costs include security and utility deposits, holding fees, application fees, future rent, etc., and is administered by Families Forward and SPIN.

Households assisted in the interim are referred to the Costa Mesa Rental Assistance Program administered by Mercy House. To date, Mercy House has provided one (1) household with financial assistance to pay for a security deposit on their new unit. One (1) household was placed in a hotel and has been approved for ongoing rental assistance to ensure stability in their new home. The family will be moving into their new home in less than a week from the writing of this report.

### Review of Eviction Notices

The City has developed a streamlined process for the review of no-fault eviction notices. In general, a property owner (or their representative) submits to the City a copy of a Notice of Termination of Tenancy (NTT) and all applicable backup documents within 72 hours of issuing the notice to the tenant(s). Neighborhood Improvement staff performs an initial review to determine compliance with the notification requirements of the Ordinance. If the NTT complies with the Ordinance and requires no additional investigation or follow-up because all required documentation has been provided, a “Notice to Proceed” is sent to the property owner.

NTTs identified as out of compliance with the Ordinance are void and the property owner is notified that the NTT is invalid and they must either: 1) bring the notice into compliance and reissue it to their tenant(s); or, 2) rescind the notice and allow the tenant to remain in place. NTTs that utilize “substantially remodel” as the stated reason for the eviction, are forwarded to the Senior Planner in the Economic and Development Services Department (EDSD) who oversees the review of this aspect of the NTT process. This review involves coordination with the property owner to ascertain the scope of the “substantially remodel” work and associated building permits with input from the Building Official.

In addition, the City’s Totally Electronic Self Service Application (TESSA) was updated to allow property owners to electronically submit notices of no-fault eviction for staff review. TESSA requires those applying for a residential building permit to identify if the work will result in an eviction. If the building permit is related to work to “substantially remodel”, resulting in an eviction, the Senior Planner in EDSD coordinates with owners/contractors and the Building Official to ensure compliance with the Ordinance.

### Community Outreach and Education

Since adopting the Ordinance, City staff has provided outreach and education including multiple in-person community meetings to inform owners and tenants of their rights regarding evictions and available resources. Prior and ongoing actions include:

- Bilingual documents regarding the rights and responsibilities of owners and tenants:
  - A dedicated Tenant Protections page on the City’s website at <https://www.costamesaca.gov/trending/tenant-protections>
  - Published the flyers *TPO Fact Sheet* ( See Attachment 2) and *TPO Resources* (See Attachment 3)
  - Mailed nearly 600 letters to property owners
  - Canvassed neighborhoods affected by no-fault eviction
- Continued education regarding available rental assistance and legal aid resources
  - Hosted tables at City Council meetings, Fair Housing Foundation workshops, community clean-ups, and resource fairs
- Community partner outreach to schools, stakeholders, apartment associations, nonprofits, service providers, etc.
  - Distributed educational materials to the Newport Mesa Unified School District, dozens of service providers and faith-based organizations, the Apartment Association of Orange County, Resilience OC, and local community leaders.
- The City’s Network for Homeless Solutions Hotline at (714) 754-5346 is now answered by a live person 24 hours a day, 7 days a week, to better serve those in need of assistance.

Adoption of the Ordinance has shed light on the disproportionate number of Costa Mesa households with minor children negatively affected by no-fault evictions. To combat this and provide the highest level of service to our community, the City will continue to implement just cause eviction education and assist Costa Mesa households facing eviction with necessary assistance and services. The City understands that outreach and education to property owners and tenants about the Ordinance and their rights are also integral to ensuring effective implementation and enforcement of the ordinance.

**ALTERNATIVES:**

No alternatives are considered at this time.

**FISCAL REVIEW:**

The Tenant Protection Program is funded in this fiscal year's budget. All of the funding appropriated by the Council to support households facing no-fault eviction is available for use. There is no fiscal impact to receiving and filing this report. The status of and need for future funding will be discussed in the context of the Fiscal Year 2024-25 Proposed Budget for Fiscal Year starting July 1, 2024.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the staff report and approves as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item supports the following City Council Goal:

1. Diversify, Stabilize, and Increase Housing to Reflect Community Needs
2. Strengthen the Public's Safety and Improve the Quality of Life

**CONCLUSION:**

Staff recommends the City Council receive and file this report.