

CITY OF COSTA MESA

NOTICE IS HEREBY GIVEN that on November 7, 2023, the City Council approved Urgency Ordinance No. 2023-04 via a six to one vote.

URGENCY ORDINANCE NO. 2023-04

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA CALIFORNIA, AMENDING TITLE 9 (LICENSES AND BUSINESS REGULATIONS) OF THE COSTA MESA MUNICIPAL CODE BY ADDING CHAPTER II (REGULATION OF CERTAIN BUSINESSES, ARTICLE 24 (JUST CAUSE RESIDENTIAL TENANT PROTECTIONS) AND DECLARING THE ORDINANCE TO BE AN EMERGENCY MEASURE TO TAKE EFFECT IMMEDIATELY UPON ADOPTION

A certified copy of the full text of Ordinance No. 2023-04 is posted and may be read in the City Clerk's Office, 77 Fair Drive, Costa Mesa.

SUMMARY OF URGENCY ORDINANCE NO. 2023-04

The Costa Mesa City Council adopted Urgency Ordinance 2023-04 via a 6-1 vote on November 7, 2023. Council Members voting in favor of the ordinance were John Stephens, Jeff Harlan, Andrea Marr, Arlis Reynolds, Manuel Chavez and Loren Gameros. Voting against the ordinance was Don Harper.

Both AB 1482 and SB 567 (taking effect in April 2024) require owners who issue a no-fault just cause eviction to provide written notice informing the tenant of their right to relocation assistance, which includes either of the following: (1) Waiver of the final month's rent; (2) Direct payment to the tenant equal to one month's rent within 15 days of issuing the notice to vacate. Failure of an owner to comply with any of the provisions of AB-1482 or SB-567 renders void a notice to vacate. State law allows the City to adopt an ordinance which would supersede state law regarding just cause evictions, but only if it is more protective of tenants' rights than state law.

Urgency Ordinance No. 2023-04 adds Article 24, Just Cause Residential Tenant Protection, to Chapter II, (Regulation of Certain Businesses), to Title 9 of the Costa Mesa Municipal Code. This Urgency Ordinance prohibits owners of residential real property from terminating a tenancy without **just cause**, required to be stated in a written notice to terminate tenancy, if the tenant has continuously and lawfully occupied a residential real property for 12 months. If there are multiple tenants, they must have all lived in the unit for a minimum of 12 months, or at least one of the tenants has to have lived in the unit for 24 months.

Consistent with AB 1482 and SB 567, "just cause" includes either at-fault just cause or no-fault just cause. A list of "at-fault just cause" is provided in section 9-402(B)(1) and includes events such as a breach in the material terms of the lease, a default payment in rent, criminal activity by the tenant on the property, or an employee's failure to vacate after termination. Alternatively, "no-fault just cause" is outlined in section 9-402(2) and includes actions such as intent to occupy the property by the owner or their close family member for a minimum of 12 continuous months as that person's primary residence, intent to demolish or to substantially remodel the property, compliance with a government order, and withdrawal of the property from the rental market. Before an owner issues a notice to terminate a tenancy for substantial remodel or demolition, the

owner shall have obtained all necessary permits for the demolition or remodel work from all applicable governmental agencies.

Owners are entitled to issue a notice to terminate a tenancy for a curable lease violation and if not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.

For a tenancy for which just cause is required to terminate the tenancy, if an owner of residential real property issues a termination notice based on a no-fault just cause, the owner shall, regardless of the tenant's income either: (1) assist the tenant to relocate by providing a direct payment to the tenant equal to one month of the Fair Market Rental rate for a unit of similar size or the tenant's rent that was in effect when the owner issued the notice of termination, whichever is greater; or (2) waive in writing the payment of one month's rent calculated the same way, and to pay any difference between actual rent and Fair Market rent to the tenant. Within 72 hours of serving a notice to terminate tenancy, the landlord must notify the City of the termination on a form provided on the City's website.

Various noticing requirements to tenants are required by the ordinance as provided in state law regarding information relating to no-fault just cause terminations, rental increase restrictions, right to return in certain circumstances, and notice of any exemption from the ordinance.

Section 9-406 of the Ordinance provides a list of residential real properties or residential circumstances to which the Ordinance does not apply such as transient and tourist hotel occupancy and dormitories, properties less than 15 years old, and single-family residences owned by individuals.

Notice requirements are strictly enforced. Landlords who violate the provisions of the code may be liable for damages, penalties and attorney's fees. Enforcement authority is provided to the California Attorney General and the City of Costa Mesa.