

Haynes and Boone Helps Win Settlement of OC Housing Discrimination Suit

By Matthew Costello | July 17, 2018

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After years of pitched litigation with the City of Costa Mesa over its ordinance restricting occupancy at local motels to no more than 30 days, the parties reached a settlement in a housing discrimination suit brought in Orange County Superior Court. The settlement also resolved the companion suit in Los Angeles against the City and developer Miracle Mile, LP over the closure of the Costa Mesa Motor Inn and eviction of its long-term residents.

The lawsuit was triggered by the City's efforts to close certain local motels that provided long-term housing to a number of residents of limited means, many of whom were families or disabled persons. At the City Council meeting when the Ordinance was passed, the City's then-mayor acknowledged that the motel residents had financial and mental problems, but declared that "if you are living in a motel you should be moving...you should be reminded every 28 days this is not working in your life."

Ironically, the City had previously satisfied its state-established affordable housing target by counting the motels as available low income housing. By precluding long-term residencies with the Ordinance, the City's plan was to force the motels to sell their properties so that luxury apartment complexes could be built in their place with younger, wealthier residents or, in the mayor's words, "nice people who make good money."

A team of lawyers that included Haynes Boone Partner Mark Erickson and Associate [Matthew Costello](#), as well as attorneys from the Public Law Center, Legal Aid Society of Orange County, and Western Center on Law and Poverty represented the plaintiffs in the Orange County action. The plaintiffs and their legal team were able to get an injunction early in the proceeding to halt the City's enforcement of the Ordinance pending trial. Erickson commented that "given the shortage of affordable housing in Orange County and the growing homeless population in Southern California, we cannot have municipalities targeting the at risk population with ordinances that basically discriminate against the poor."

The settlement provided over \$250,000 of compensation to individual named plaintiffs and \$650,000 to a fund for distribution to those displaced from motels. In addition, the developer agreed to set aside 9 very low income units in its new Costa Mesa project for the next 55 years. The City also agreed to use its best efforts to set aside extremely low, very low and low income units in any affordable housing created at the Fairview Development planning area and to seek a request for proposal for construction of additional extremely low and very low income housing units at a separate City-owned location. The City has also agreed to re-evaluate its Ordinance. Plaintiff Tim Dadey, who became homeless after his eviction from one of the motels noted the importance of the money, "the people evicted at the hands of the City can use this money for security deposits and rent in order to put a roof over our heads."

The settlement received media coverage in the following publication:

