



LOS ANGELES COUNTY
CONSUMER & BUSINESS AFFAIRS

February 6, 2026

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To: Supervisor Hilda L. Solis, Chair
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From: Rafael Carbajal
Director

REPORT ON EXTENDING PRICE GOUGING PROTECTIONS (ITEM NO. 53-B, AGENDA OF JANUARY 13, 2026)

On January 13, 2026, the Board of Supervisors (Board) approved an extension of price gouging protections¹ provided under the California Penal Code, section 396, subdivisions (b), (c), (d), (e), and (f) and the protections of County Code Chapter 8.09, which have been in effect since the original Proclamation of Local Emergency was made on January 7, 2025 for the January 2025 Windstorm and Critical Fire Events.² Additionally, the Board extended the permissibility of specific price increases for housing not rented and not offered for rent within one year prior to the original proclamation.³ Included within those agendized actions, the Board further moved, as revised on the floor through oral amendment, to direct the Department of Consumer and Business Affairs (DCBA or Department), in consultation with County Counsel and other relevant departments, to report back in writing on a variety of topics that would inform future Board discussions when considering additional extensions.

Attached is the requested report responsive to the directives of the amended motion. The following is a high-level summary of the responses to each of the itemized requests:

1. We provide a comprehensive overview of existing protections and the Department's extensive efforts over the past year to draw awareness to and enforce these laws including a brief overview of DCBA's implementation of its new authorities to investigate and cite violators.

¹ [Board Motion of January 13, 2026](#)

² [Revised Board Motion of January 14, 2025](#)

³ [Revised Board Motion of October 21, 2025](#)



2. We provide an overview of enforcement efforts, including complaints logged, complaints by sector, and enforcement outcomes.
3. We list, in short summary, legal actions taken by the State and local prosecutors that are a direct result of DCBA's participation in the multi-jurisdictional Price Gouging Task Force.
4. We provide a comparative analysis of other jurisdiction's price gouging protections, a review of academic viewpoints and recent studies of price gouging protections during emergencies, and a discussion of relevant conditions and government response to past disasters.
5. We highlight specific case studies and the process DCBA has taken to achieve positive outcomes under its new authority. This includes a discussion of trends derived from submitted complaints and lessons learned as enforcement activity continues.
6. We conduct a limited assessment of current conditions using available data from both Zillow and Realtor.com to assess the current rental market countywide and in ZIP codes with proximity to the wildfire areas.
7. We highlight the continued struggles of the fire victims and how their survey responses from the Department of Angels report point to a continued need for support and protection.
8. We summarize legal protections that would remain should the price gouging protections be allowed to expire, including state and local tenant protections and other consumer protection laws.

With regard to whether the future extension of these protections is appropriate, DCBA considered a selection of case studies and the trends that have emerged in different sectors, a review of previous recovery outcomes and best practices resulting from past natural disasters both within California and other states, and a literature survey on the benefits and drawbacks of anti-price gouging laws from an academic perspective. Balancing insights gleaned from that review against the current state of affairs of the affected population, as illuminated in the January update of the Department of Angels survey, and a measured, but limited, assessment of current market conditions as detailed in the attached report, DCBA submits the following considerations as part of the larger discussion on future action:

- With both new and rehabilitative construction and cleanup still in the early stages for a majority of fire victims, including rental property owners, it is unlikely that the surge in demand for these materials and services has come to pass. Current conditions at the local and federal level also point to shortages of labor and

potential supply disruption that will further exacerbate the issue. The County's price gouging protections exist specifically for the purpose of tempering any exploitative behavior that accompanies a spike in demand and should thus remain in effect to serve the purpose for which it is intended, with the progress of the rebuilding, and not the length of time from the original disaster, being the compelling factor.

- Housing stability should remain a top concern with 70 percent of fire survivors relying on temporary arrangements. In reviewing what market data is available, it would appear that the rental market, as represented countywide, is relatively stable with median rents and available listings holding near 2024 levels. Price-gouging complaint levels have likewise decreased over time in what is at least partially attributable to the County's successful outreach and enforcement efforts. What is not abundantly clear, nor has any empirical data been readily available to support a strong conclusion, is how the market will react once the protections are lifted, especially in areas known to have large concentrations of displaced fire victims. With emergency relief subsidies from both insurance and the government diminishing fast, and the potential influx of new construction workers to the region, it is well within the realm of possibility that there will be a renewed escalation in demand for what affordable inventory exists, creating significant upward price pressures just as the fire victims' housing budgets diminish.

The Department recognizes that some indicators suggest portions of the housing and construction markets may be adjusting to current conditions, and that there is a body of academic and policy thought cautioning that prolonged price controls can, in certain circumstances, affect long-term supply. However, based on the totality of the information reviewed, DCBA would urge caution when considering the expiry of protections on February 27. Recovery from January 2025 Windstorm and Critical Fire Events remain incomplete, with rebuilding activity still in early stages for many households, a substantial share of survivors continuing to rely on temporary housing, and emergency financial supports rapidly diminishing. At the same time, anticipated labor shortages and supply constraints present a credible risk of renewed demand pressures. These conditions create an environment in which the removal of emergency protections could potentially expose displaced households to sharp and uneven price increases before meaningful rebuilding has occurred. This risk is further compounded by increasingly concentrated ownership patterns and the growing use of dynamic and algorithmic pricing tools, as reported on April 16, 2025, which may accelerate price escalation in ways not yet readily observable.⁴

⁴ ["Report Back on Combatting Los Angeles County's Price Gouging Crisis: Protecting Renters and Consumers", DCBA, April 2025](#)

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We hope the attached report contributes to the larger discourse on recovery from this unprecedented event and how best we continue to support the recovery effort for these vulnerable populations.

If you need additional information, please contact me or Maggie Becerra, Deputy Director, Consumer Protections, at (213) 712-5493 or MBecerra@dcbalacounty.gov.

RC:JA:EV
CO:MB:MR:MM:ph

Attachment

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel

1. Comprehensive analysis of price gouging protections currently in effect within Los Angeles County under California Penal Code section 396 and County Code Chapter 8.09, including their scope, limitations, and effectiveness

PRICE GOUGING PROTECTIONS IN EFFECT: SCOPE AND KEY PROVISIONS

As a result of the actions taken on January 13, 2026, the price gouging protections of California Penal Code section 396⁵ and County Code Chapter 8.09⁶ currently remain in effect until February 27, 2026. While there are some nuanced differences between the two, the local statute largely mirrors the State law. The key difference in authority, however, is the inability at the local level for the Board to limit protections to specific geographic areas within the County. While the Governor can designate applicability of the statutes to specific ZIP codes and thus focus protections to regions of need, the County is forced to adopt protections countywide even though populations far removed from the wildfire area may no longer require coverage.

State law does allow the Board to extend the local emergency for as long as it sees fit as well as limit protections to specific categories of goods and services organized by the subsections within the State code. These protections cover four primary categories:

- Consumer food items or goods, goods or services used for emergency cleanup, emergency supplies, medical supplies, home heating oil, building materials, housing, transportation, freight, storage services, and gasoline or other motor fuels
- Any repair or reconstruction services or any services used in emergency cleanup
- Hotels, motels, and short-term lodging
- Rental housing, including space rented in a mobilehome park or campground

Price Cap for Goods, Services and Reconstruction

For goods and services, including repair or reconstruction, it is unlawful to sell at a price of more than 10 percent greater than the price charged immediately prior to the emergency declaration. Both State and County law, however, permit retailers to pass through higher wholesale costs, so long as the retailer's margin does not excessively increase. Also, a business offering an item for sale at a reduced price immediately prior to the declaration may use the price at which it usually sells the item as a baseline to calculate a permissible increase.

⁵ [Penal Code 396](#)

⁶ [County Code Chapter 8.09](#)

Newly Offered Goods and Services

If a good or service had not been offered during the 30-day period immediately preceding the day the declaration is made, the seller is limited to pricing that product or service to no more than 50 percent above either the person's total cost paid for the good or the person's total cost of producing and selling the good or service. This provision addresses situations where businesses begin offering an emergency-related item they did not previously stock or advertise for sale.

Lodging and Short-term Rentals

For lodging, it is unlawful for an owner or operator of a hotel, motel, and in the case of the County law, the operators of a care facility, or a booking service or owner of a short-term rental, to increase the regular rates, as advertised immediately prior to the emergency declaration, by more than 10 percent. Additionally, booking services and homeowners of short-term rentals are not allowed to cancel reservations in order to advertise the same property for an increased rate higher than 10 percent over the originally advertised rate. If these properties were previously rented on a daily basis and switch to full-time or monthly rentals after the declaration, the rental price cannot exceed 160 percent of the fair market value established by the US Department of Housing and Urban Development (HUD).

As with other goods and services, however, a greater price increase is allowed if the owner or operator can prove that the increase is directly attributable to additional costs imposed on it for goods or labor used in its business, to seasonal adjustments in rates that are regularly scheduled, to previously contracted rates, or to increases in costs arising specifically because of the emergency.

Rental Housing Protections

For homes and apartment rentals, it is unlawful to increase the rental price advertised, offered, or charged within one year prior to the emergency declaration by more than 10 percent. A greater rental price increase is not unlawful if it can be proven that the increase is directly attributable to additional costs for repairs or additions beyond normal maintenance that were amortized over the rental term or if an increase was contractually agreed to by the tenant prior to the declaration. The protections do not authorize a landlord to charge a price greater than the amount authorized by a local rent control ordinance and there are additional prohibitions for price increases tied to gardening, utilities or shorter lease terms. Additionally, a landlord may not charge a higher rate because an insurance company is willing to pay for it. An additional increase of five percent may, however, be factored in for properties being newly offered as fully furnished.

Baseline Calculations for Vacant and Unrented Units

In the case of housing rented at the time of the declaration and then subsequently becoming vacant, the rental price that serves as a base for calculation must be the greater of the actual rental price paid by the previous tenant or 160 percent of the fair market rent established by HUD.

In the case of rental housing not previously rented or advertised within one year prior to the emergency declaration, the rental rate cannot exceed 160 percent of the fair market value established by HUD. However, using its discretion permitted under State law, the Board, through previous extensions originating on October 21, 2025⁷ and as recently extended with the January 13th Board action, adjusted this rate limit up to 200 percent.

Anti-eviction Price Gouging Protection

It is unlawful to evict any residential tenant in order to rent to another person at a rate greater than the evicted tenant could be charged under the price gouging protections; though, it is permissible to continue an eviction process that was lawfully begun prior to the declaration.

Mobilehome Spaces

With respect to mobilehomes and mobilehome spaces rented to existing tenants at the time of the emergency, landlords are subject to the conditions of the County's Mobilehome Rent Stabilization and Mobilehome Owner Protections Ordinance (MRSMOPO).⁸ For new tenants who enter into a rental agreement for a space that is subject to the ordinance but was not rented at the time of, or became vacant after, the emergency declaration, it is unlawful to charge rent in excess of the amount of rent last charged for a space in the same mobilehome park.

LIMITATIONS, OUTREACH, AND ENFORCEMENT

The sections above summarize the scope and primary requirements of the State and County price gouging statutes currently in effect. The next section describes key implementation challenges, outreach and enforcement actions, early indicators of effectiveness, and ongoing limitations and emerging risks.

Awareness Challenges

The County and State price gouging protections are quite extensive and often pose challenges from both an awareness and enforcement perspective due to their complexity and numerous exceptions. As we continue to be further removed from the original

⁷ [Revised Board Motion, October 21, 2025](#)

⁸ [County Code Chapter 8.57](#)

proclamation, extensions of these protections are not as widely publicized by the Governor, and local outreach efforts, despite DCBA's concerted effort to spread the word, have trouble resonating with businesses and consumers that, by virtue of the County's significant size, are quite distant from the wildfire areas.

January 2025 Multilingual Campaign and Earned Media

Following the original declaration, DCBA's Consumer Protection Bureau (CPB) took immediate steps to inform the business community and the general public about price gouging and the available protections.

In January 2025, the Department implemented a comprehensive multilingual outreach campaign using a multi-channel approach, leveraging digital platforms, earned media, newsletters, and on-the-ground outreach to ensure that residents were aware of their rights from the existing protections and knew how to report violations. Notably, 18 separate web-based newsletters were distributed to DCBA subscribers, reaching an average of 98,987 subscribers per issue. The Department also responded to inquiries and provided interviews regarding price gouging and disaster recovery for a broad range of news outlets such as the LA Times, Fox News, 60 Minutes, KTLA, NBC, ABC, Telemundo, Biz Journal, Univision, Newsweek, SF Chronicle, Washington Post, and GV Wire.

Social Media, PSA, and Dedicated Recovery Website

Additionally, the Department leveraged its social media presence, distributing content across Instagram, Facebook, X, Nextdoor, and other social media platforms. Messaging not only focused on price gouging but also included information and resources on the Department's broad range of services, including specific supports for fire-impacted tenants, workers, and immigrant communities. The social media outreach attained a wide public reach, with 531,842 total impressions across all platforms. A price gouging awareness PSA, which was placed both on DCBA and the County's main recovery websites received over 4,686 views.⁹

Partner-Facing Resource Toolkit

Internally, DCBA developed a digital consumer recovery resource toolkit.¹⁰ This content was made available to County and community partners and was featured prominently on a dedicated landing page on DCBA's website. The toolkit provided downloadable flyers, tipsheets, and videos to support wildfire preparedness and recovery as well as other Department services. To date, this landing page has received 23,740 views.

⁹ [LA County Recovery Website - Price Gouging PSA March 26, 2025](#)

¹⁰ [DCBA After the Disaster Toolkit](#)

May 2025 Countywide Consumer Protections Campaign

In May 2025, after complaints of price gouging surged in April, DCBA launched a second countywide Consumer Protections Campaign. The campaign again took a multi-channel approach, combining targeted outreach and community education through paid ads in hyperlocal and ethnic media and radio. The campaign included placement of ads directed at both property owners and landlords, direct text outreach to over 70,000 residents, and an explainer video on price gouging. Following the May campaign, DCBA saw a precipitous drop in complaints with levels stabilizing over the rest of 2025.

Proactive Business and Landlord Notifications

Beyond the Department's media campaigns and digital presence, DCBA distributed over 18,700 proactive price gouging notifications via mail and e-mail to businesses, landlords, short-term rental owners, property owners and landfill service providers in the fire-impacted and surrounding areas. The notification provided information, in English and Spanish, on price gouging laws, outlining potential violations and applicable legal consequences. In addition, CPB investigators made proactive calls to over 58 hotels and motels in the surrounding Pacific Palisades and Altadena area. DCBA also engaged with its County and nonprofit partners, harnessing their additional reach into the community through their own online platforms and media outlets to assist in spreading awareness and connecting residents to available resources.

Board Actions That Expanded Enforcement Capacity

As more egregious allegations of price gouging received widespread community attention, the Board, in concert with DCBA, took several actions to strengthen local enforcement:

- **February 4, 2025:** DCBA was authorized to onboard Disaster Service Workers (DSW) to support the investigation of price gouging complaints and other critical consumer protection functions.¹¹ DCBA recruited 10 DSWs to review, identify and document potential price gouging violations, supporting the CPB's issuance of over 2,000 cease-and-desist letters to businesses, property owners, landlords, and real estate professionals.
- **February 11, 2025:** The Board approved the increase of the maximum civil penalties for violators from \$10,000 per violation to \$50,000 for the duration of the local state of emergency.¹²
- **September 2, 2025:** the Board approved an emergency ordinance expanding DCBA's ability to investigate, enforce, and impose administrative fines for violations of the County Code's price gouging protections.¹³

¹¹ [Board Motion of February 4, 2025](#)

¹² [Board Resolution of February 11, 2025](#)

¹³ [Revised Ordinance of September 2, 2025](#)

Price Gouging Task Force

Prior to September 2025, DCBA's pursuit of violators was relegated to referrals for potential civil filings or criminal charges. This approach included activating the multi-jurisdictional Price Gouging Task Force (PGTF) comprised of representatives from County Counsel, the County District Attorney's Office, Los Angeles City Attorney's Office, California Attorney General's Office and other local city attorney offices. PGTF conducted regular meetings to share information, discuss enforcement efforts, and coordinate investigations. DCBA, as part of its collaboration with PGTF, has made 261 referrals for additional review and potential civil and/or criminal action, but is now focused on pursuing violators through its own, newly expanded authority.

New Corrective Actions and Enforcement Framework

CPB investigators may now, in lieu of referring investigations over to PGTF, and, acting upon credible evidence, issue Correction Orders to the parties responsible. This presents an opportunity for the potential violator to take corrective action, including voluntary restitution to any aggrieved consumer, to avoid further prosecution and the levying of administrative fines. It is also a formal opportunity for the business to present the necessary justification, within the limits of the law, for the price increases for which they are being investigated.

For more egregious cases, or when Correction Orders are ignored, CPB may also issue an official Enforcement Order which would represent a final determination by the County of a violation and detail amounts owed to any aggrieved person and the County, with penalties potentially compounding daily. The violating party still has an opportunity to appeal directly to DCBA or file for an administrative appeal (and a potential subsequent judicial review) as allowed under County Code, Chapter 1.25.¹⁴ It is important to note that CPB has begun exercising its new authority under the corrective and enforcement framework but before doing so, DCBA established the necessary administrative structure and due process safeguards. With these new enforcement processes still in their infancy, it is somewhat premature to assess how this new authority and enforcement approach, coupled with DCBA's outreach efforts, improves the efficacy of our local statutes in combatting price gouging.

Ongoing Limitations and Emerging Risks

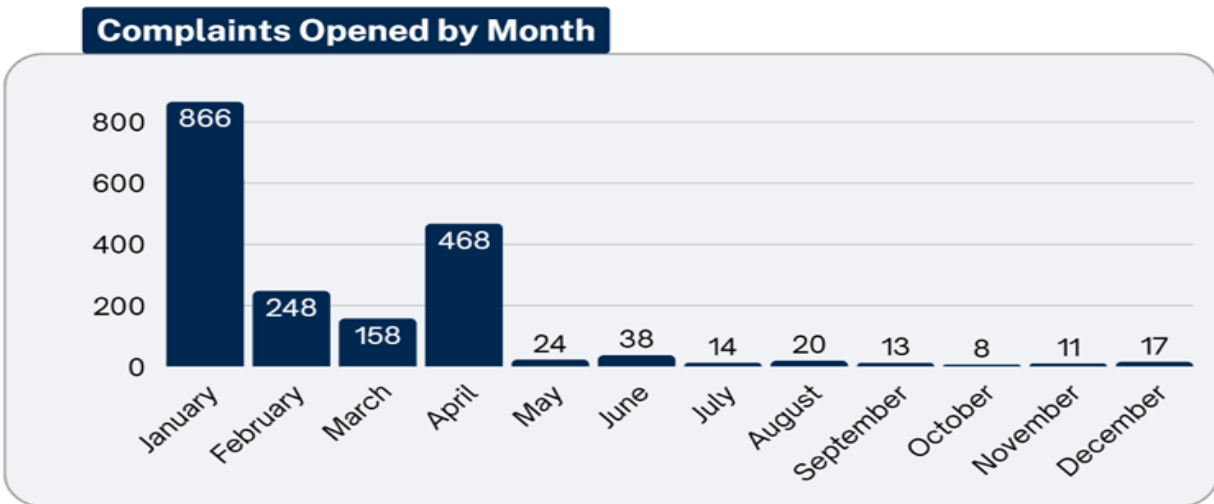
DCBA's new enforcement tools, while integral to maintain an aggressive approach to compliance, are still somewhat limited by investigatory capacity and the exceptions in the law. The continued extension of protections, coupled with robust outreach to maintain awareness, remains the most powerful deterrent in avoiding unintentional price gouging, but it is not without its caveats. Businesses that are motivated to exploit exceptions in the

¹⁴ [County Code Chapter 1.25](#)

law, especially as the time from the original declaration extends into 2026 and beyond, will find it easier to avoid prosecution. Federal actions that have a direct effect on supply chains, a diminished labor pool due to immigration enforcement, and local minimum wage increases are all examples that potentially can be leveraged into defense opportunities, complicating the County’s ability to prove increased prices go beyond statutory allowances. The expansion of DCBA’s authority, however, helps to mitigate this to some degree, as its staff can identify, validate, and potentially settle claims at a substantially greater rate than in prior practice when public prosecutors would have to strongly consider limited resources against the likely success of prosecution before allocating time to cases that might be marginally defensible.

2. Enforcement Data and Compliance Metrics

From January 7, 2025, through December 31, 2025, DCBA received 1,885 complaints of alleged price gouging.



The following table highlights the total number of alleged price gouging complaints received since the January 2025, emergency declaration, broken down by category.

Category	Count	Share of Total
Rental Housing	1,668	86.2%
Other Goods & Services	139	7.2%
Hotels/Motels	41	2.1%
Food Items	38	1.9%
Emergency Supplies	16	0.8%
Storage	16	0.8%
Emergency Clean-Up	13	0.7%
Medical Supplies	5	0.3%
Total	1,936¹⁵	100%

One of the most effective tools has been the issuance of over 2,000¹⁶ cease-and-desist letters to businesses and landlords. These notices have served as a critical deterrent and prompted corrective action in many cases, often preventing escalation and supporting faster resolutions.

While all matters remain subject to ongoing review and due process, the following figures highlight the current status of enforcement activity: approximately 261 cases (14%) have been referred to prosecuting agencies for potential civil or criminal action based on preliminary findings, and 20 percent have reached various stages of positive resolution, which may include voluntary corrective action, restitution, or compliance agreements. In addition, 26 percent are in various stages of investigation, representing matters prioritized for deeper review due to complexity or potential consumer impact. These cases remain active and in various stages of resolution but reflect the most resource-intensive investigations. This approximate distribution underscores the breadth of enforcement efforts without implying final determinations of liability.

3. Legal actions and proceedings related to price gouging enforcement, including civil filings, criminal referrals, and outcomes

The following represent examples of legal actions taken by other jurisdictions and by the State of California due to price gouging and similar unfair business practices:

¹⁵ Category totals may exceed the total number of complaints received because a single complaint may include allegations across multiple categories and is counted once in each relevant category. The “total complaints received” figure reflects unique complaint records.

¹⁶ The number of cease-and-desist letters issued may exceed the number of complaints because a single complaint can involve multiple responsible parties (e.g., owner, agent, property manager, or platform), and separate letters may be issued to each party.

California Department of Justice (DOJ)

- Filed charges against a real estate agent for allegedly attempting to rent-gouge Eaton Fire survivors after the Governor’s emergency order.¹⁷
- Filed charges against a real estate agent for allegedly offering an Eaton Fire–evacuated family a Glendale rental at a price more than 50 percent above the listing, exceeding the Penal Code 396 emergency cap.¹⁸
- Filed charges against a real estate agent and landlord for allegedly increasing a Hermosa Beach rental price by 36 percent after the emergency order, exceeding the Penal Code 396 emergency cap.¹⁹

Los Angeles City Attorney’s Office

- Filed civil and criminal actions alleging a furnished-housing rental business (with ~200 LA properties) raised advertised rents over 10 percent and up to 50 percent+, violating Penal Code 396.²⁰
- Released a public price-gouging report describing three civil lawsuits and four criminal cases.²¹ DCBA investigated and referred or contributed to six of the seven matters cited.

4. Literature review and comparative analysis

Common Elements of Price Gouging Statutes

Like most jurisdictions, County protections contain five basic elements:

1. A triggering event that disrupts the market
2. A list of goods or services deemed essential and thus covered
3. The defining threshold for a violation
4. Consideration of a seller’s profitability or return on investment
5. Penalties associated with a violation

State Landscape and Variation Thresholds

Across the Country, 39 states have enacted some form of specific price gouging regulation, while those that have not will often rely on their unfair or deceptive practice laws to prosecute gouging. The National Conference of State Legislatures maintains an

¹⁷ [California Attorney General Press Release, Jan. 22, 2025](#)

¹⁸ [California Attorney General Press Release, Jan. 28, 2025](#)

¹⁹ [California Attorney General Press Release, Feb. 18, 2025](#)

²⁰ [LA City Attorney Press Release, Feb. 4, 2025](#)

²¹ [City of Los Angeles Report, Dec. 10, 2025](#)

inventory of each state’s statutes and a summary of its protections.²² Washington, an example of a state which has no stand-alone price gouging statute, recently confirmed through its own State Supreme Court that claims of “price gouging” during a disaster can be actionable under its Consumer Protection Act.²³

The following table summarizes the primary elements of a cross-section of state protections from a varied sample of jurisdictions. Anything “undefined” is generally left up to the interpretation of the prosecuting agency and the courts as to whether an increase constitutes a violation.

Jurisdiction	Trigger for Protections	% Increase Allowed	Allow additional pass-through costs?	Max Penalties
California	States of Emergency (including local)	10%	Yes	1 year jail or \$10,000
Florida	States of Emergency	Undefined	Yes	60 days jail or \$1,000 (1 st offense)
Hawaii	States of Emergency	0% (Price Freeze)	No	\$10,000
Oregon	“Abnormal Market Disruption”	15%	Yes	\$25,000
Texas	States of Emergency	Undefined	Undefined	\$20,000 or \$250,000 if victim is 65+

Differentiation between states is primarily found in how they define illegal price increases. Some states will identify a specific percentage, the majority of which consider any price increased over 10-15 percent from a pre-disaster level (Alabama and Kansas allow for increases up to 25%), while others give discretion to the enforcing authority to determine within the context of the emergency and the goods or services being offered whether a charge is excessive, without defining a specific percentage threshold. Some states like Hawaii, which imposes a complete ban on price increases, are particularly restrictive. Punishment for violations also vary widely from state to state, most allowing for some combination of civil penalties and jail time.

Enforcement Models

For the most part, enforcement and awareness activities are overseen by consumer protection units housed inside an Attorney’s General (AG) office. Local prosecutors will often work in coordination with this consumer protection unit, assisting as needed on either complaint intake or investigation. This is also the case in our neighboring counties, with local activity handled through the respective District Attorney offices of Ventura, Orange, Riverside, and Santa Barbara. During an emergency these offices have opted to set up their own hotlines or dedicated email addresses to receive complaints.

²² [NCSL - State Price Gouging Laws](#)
²³ [Opinion: Greenberg v. Amazon, August 2024](#)

Best Practices in Outreach, Intake and Investigation

Across State AG offices price gouging enforcement shows little variation. Most common practice, regardless of jurisdiction, is to leverage media advisories and other communication platforms to spread awareness to both consumers and businesses, following up with publicized prosecutions or settlements as they develop to further deter would-be violators. Web-based informational resources and public postings in the surrounding areas of a disaster zone are also often deployed. Complaint intake platforms are activated usually with phone lines, email, web portals, and in some cases internet applications (like the County did during the pandemic) to maximize consumer opportunities to report violations. In anticipation of potential disaster events, staff will often conduct surveys to establish pre-declaration baseline prices for protected goods and services to assist with future investigations. In Florida, price gouging information is included in their state's annual hurricane preparedness guide.

These practices are consistent with DCBA's approach to outreach and enforcement.

Academic Debate on Price Controls and Market Impact

Whether any of these protective statutes are helpful remains a popular debate in the academic world. Supporters of price controls in general lean on the moral justifications of fairness, equity, access, and exploitation prevention, while those who staunchly oppose price regulation champion the ability of markets to self-regulate and the basic principles of free enterprise.²⁴

The consensus economist argument specific to anti-price gouging laws during an emergency can be summarized in two basic points:

- Allowing higher prices discourages over-consumption (hoarding) and encourages conservation with products naturally finding their way to those who value them the most.
- Higher prices incentivize producers to direct more supply to reduce scarcity when and where it is needed most.

Opponents of this viewpoint counter that prices are not mere products of supply and demand, but rather potential violations of the moral norms of society and thus should be policed regardless of the long-term damage they may induce. The morality argument takes center stage particularly in times of emergency, when the preservation of free-market principles seemingly ignores and often intensifies the suffering of the most vulnerable. Harvard political philosophy professor, Michael Sandel, summed up the consequences of virtue as follows:

²⁴ ["Is the Price Right? The Role of Morals, Ideology, and Tradeoff Thinking in Explaining Reactions to Price Surges" Elias, IZA Institute of Labor Economics, April 2022](#)

“A society in which people exploit their neighbors for financial gain in times of crisis is not a good society. Excessive greed is therefore a vice that a good society should discourage if it can. Price-gouging laws cannot banish greed, but they can at least restrain its most brazen expression, and signal society’s disapproval of it. By punishing greedy behavior rather than rewarding it, society affirms the civic virtue of shared sacrifice for the common good.”²⁵

Furthermore, proponents of price controls contend that economists are too reliant on outdated theory that is not grounded in the realities of our actual economy, failing to consider the prevalence of monopolies and limited competition that exist in many industries today.²⁶

In summary, the academic divide is most visible along these lines:

- Prices serve as information signals that allocate scarce resources and incentivize increased supply. Additionally, artificially capping prices can create long-term economic damage by preventing these market mechanisms from working efficiently.
- The detrimental effects of price gouging prohibitions are overstated and generally based on outdated theories. Furthermore, the preservation of a stable society obligates businesses to support communities in crisis and not attempt to maximize profit or shareholder value at the expense of its vulnerable consumers.

Disaster Recovery Literature and Renter Impacts

Most literature debating the merits of price gouging concentrates on the fluctuating costs of scarce goods and services relevant to immediate disaster recovery such as food, water, medical supplies, fuel, construction, and short-term lodging, and generally does not contemplate protections implemented for the purposes of longer-term rental housing protections. While a separate concept, many similar themes still arise, including the dichotomy between protecting the market incentive to produce housing stock and the obligation to maintain a safety net for vulnerable populations. Until recently, post-disaster studies focused on how government intervention addressed the recovery of private single-family homeowners, as opposed to the renter. A point reinforced in the Brookings Institution report referenced in the Board’s January 13th motion.²⁷ In reframing the collective approach through that breakthrough effort, new studies have surfaced that can serve as a foundation for future policy decisions both in preparation and post-disaster interventions that support renters and landlords alike.

²⁵ “Justice: What’s the Right Thing to Do?” Michael J. Sandel. Farrar, Straus and Giroux, 2009

²⁶ [“Sometimes You Just Have to Ignore the Economists” Teachout, The Atlantic, August 2024](#)

²⁷ [“Disasters and the Rental Housing Community: Setting a Research and Policy Agenda,” The Brookings Institution, October 2023](#)

The findings from applying this new approach are not particularly surprising. After Hurricane Katrina in 2005, 29 percent of single-family homes were damaged in Louisiana versus 35% of rental units, but while 62 percent of homeowners received disaster recovery assistance, only 18 percent of renters received similar aid. Disproportionate allocation of federal rebuilding grants between homeowner property and rental properties resulted in equally disproportionate outcomes five years later, with single family homes being rebuilt at a significantly faster rate.²⁸ Similar conditions were measured in the recovery period following hurricane Harvey in Harris County, with the restoration of rental stock lagging behind owner-occupied homes and the allocation of assistance once again favoring the homeowner.

The lessons of Harvey and its effect on Houston, as close to a comparable jurisdiction that the County has given its large renter population (45%) and notable shortage of affordable housing, provide insight as to what may come for the County. While all income brackets were impacted by the floods, lower- and middle-income residents were at greater risk of housing insecurity. The sluggish recovery of housing stock created an ultra-competitive market for available rentals in which homeowners with a greater share of federal aid, and highly paid construction workers who had moved into the area to support the rebuild effort, easily outbid displaced renters for what affordable rental stock survived.²⁹

Implications for the County and Longer Duration Protections

In applying this new lens to disaster recovery, experts propose giving more consideration to renters when distributing federal assistance and expediting the flow of funds from federal grant programs, particularly the Community Development Block Grant Disaster Recovery (CDBG-DR) grants that incorporate rental affordability requirements. These grants have proven crucial to tempering long-term rent increases and increasing the supply of multi-family units.³⁰ Housing markets that benefited from these disaster relief grants in the past were able to build more rental units, easing the housing shortage, and slowing the pace of rent increases. Receipt of these funds, however, took years, so the need remained for local government to strengthen tenant protections to ensure neighborhood continuity and combat permanent displacement, even if such price controls slowed recovery.³¹

While not wholly applicable to the County given that it is unlikely to receive these kinds of federal grants and will otherwise have to rely on State and local funds to continue to promote affordable multi-unit development, lessons learned from those studies remain relevant. California's response to recent disasters has in practice leaned heavily on

²⁸ ["Rebuilding Housing in Harvey's Aftermath: Two Lessons from Hurricanes Katrina and Rita" Spader, Harvard University Joint Center for Housing Studies, September 2017](#)

²⁹ ["Hurricane Harvey and the Houston Housing Market" Dickerson, Texas Law Review, April 2018](#)

³⁰ ["CDBG-DR Rental Requirements, and Rental Market Impacts" An, Moody, Drew, Jakabovics, Orlando, and Rodnyansky, Cityscape: A Journal of Policy Development and Research, 2024](#)

³¹ "Effect of Anti-Price Gouging Law on Post Disaster Recovery Speed: Evidence from Reconstruction in Virginia and Maryland After Hurricane Sandy" Sooin, Mohsen and Mahmut, Natural Hazards Review, 2023

extended price gouging protections to compensate for slow recovery of housing stock. Two of the most destructive wildfires in the State's history, the Camp fire in Butte County and the Tubbs fire in Sonoma County, had certain price gouging protections still in place nearly four years after the original declarations by Governor Newsom citing the continued recovery as evidence of the need. As the County appears to be constrained to a similar timeline given the limited progress of the current rebuild, these past examples help inform a long-term strategy that concentrates protections to sectors that will likely see a future surge in demand, namely remediation and construction. Low-cost rentals could also see a spike in demand as construction delays force displaced homeowners and renters who have exhausted their relocation assistance to desperately chase housing alternatives from unscrupulous providers. One year after the fires in Lahaina, the island of Maui continued to grapple with exploitive behavior in the housing sector.³² Now more than two years removed from the August 2023 fires, price gouging laws for rental housing remain in effect.³³

5. Case studies of significant price gouging cases documented by the County, including patterns, trends, and sectors most impacted

The table on the following page presents a sample of cases documented by the County, illustrating the various stages of investigation.

Patterns, Trends, and Sectors Most Impacted and Lessons Learned

After reviewing the case studies below, DCBA identified a variety of takeaways to inform ongoing enforcement. Identifying key patterns, trends, and newly impacted industry sectors, as well as applying lessons learned to its operations will further strengthen future emergency response and compliance efforts.

The case studies illustrate how rental housing was the most impacted sector and drove the highest-dollar consumer harm and subsequent restitution. Many cases arose shortly after the emergency declaration, reflecting displacement pressure and limited housing alternatives. Housing matters also revealed recurring compliance issues tied to baseline pricing rules, including when HUD Fair Market Rent percentages were not being applied to units being newly brought to market. Tenants often accepted unlawful terms due to urgent housing needs and displacement-related constraints, including child or dependent care responsibilities. Housing complaints frequently involved multiple responsible parties (e.g., property owners and listing agents), requiring DCBA to issue cease-and-desist notices to more than one actor to ensure broader awareness of price gouging requirements and prompt compliance.

³² ["Maui Residents Have Been Forced from Their Homes to Make Room for Wildfire Survivors. Property Owners Are Profiting" ProPublica. August 2024](#)

³³ [Governor of Hawai'i 28th Proclamation Related to Wildfires, January 2026](#)

#	Category	Supervisory District	Date of Complaint	Allegation	DCBA Action	Outcome/Status	Restitution
1	Rental Housing	Los Angeles (90035) / SD1	Jan 2025	4BR rental advertised at \$13,500; HUD FMR baseline applied; exceeded allowable rent	Cease-and-desist issued	Owner corrected violation, restitution provided	\$103,891.08
2	Consumer Goods	Los Angeles / SD3	Jan 2025	Online retailer increased air purifier price from \$144.99 (\$179.99 reg.) to \$259.99 after emergency declaration	Cease-and-desist issued	Owner corrected violation, investigation ongoing to determine if other consumers were victims	—
3	Rental Housing	Los Angeles (90024) / SD4	Jan 2025	1BR advertised at \$8,000 vs. baseline determined at \$4,848.00	Cease-and-desist issued	Owner corrected violation	----
4	Rental Housing	Altadena (91001) / SD5	Jan 2025	3BR advertised/charged at \$8,000 during emergency; baseline determined at \$6,064; exceeded allowable amount	Cease-and-desist issued	Owner corrected violation, restitution provided	\$2,000
5	Rental Housing	Agoura Hills (91301) / SD3	Feb 2025	4BR advertised at \$10,000 vs prior listing \$6,000; exceeded allowable limits	Cease-and-desist issued	Owner corrected violation	---
6	Services (Boarding)	Sunland / SD5	Feb 2025	Horse boarding fees increased from \$480 to \$600 (and potentially \$650); exceeded 10% cap	Enforcement action initiated	Cease-and-desist issued; supported by 7 additional complaints; referred to prosecuting agency for review/action, investigation on-going	—
7	Rental Housing	Los Angeles (90034) / SD1	Apr 2025	Furnished 3BR advertised at \$12,500; HUD FMR baseline applied; exceeded allowable rent	Cease-and-desist issued	Owner corrected violation, restitution provided	\$64,376.40
8	Rental Housing	Culver City (90232) / SD2	Aug 2025	Displaced tenant leased unit at \$18,500 after listing increased above 10% cap; owner non-cooperative	Cease-and-desist issued; enforcement action initiated	Enforcement Order in process and will subsequently be referred to a prosecuting agency for review/action	—
9.	Rental Housing	Pasadena (91105) / SD5	Dec 2025	Post-lease rent increase from \$8,500 to \$10,500 during emergency period; exceeded 10% cap	Enforcement action initiated	Administrative enforcement underway for alleged violations	—

Other lessons learned include:

- **Determining Rental Housing Prices**

During the 2025 wildfires, both tenants and landlords expressed confusion about when HUD FMR applies and how the 10 percent cap interacts with baseline rent requirements. Consumers frequently sought clarification on how baselines are established and whether common cost factors (e.g., upgrades, taxes, or mortgage payments) can determine additional price increases. This uncertainty created implementation challenges and may have discouraged some property owners from offering units for rent when the lawful baseline appeared inconsistent with neighborhood market rents.

- **Effectiveness of Cease-and-Desist Letters**

Cease-and-desist letters were among DCBA's most effective tools during the emergency period. In many cases, recipients indicated they were unaware of the applicable restrictions. The notices compelled corrective action while also improving understanding of legal requirements, permissible limits, and consequences of noncompliance, supporting faster resolutions and stronger compliance outcomes.

- **Insurance Coverage**

In the early stages of the wildfires, suspected price gouging may have been underreported because temporary insurance benefits absorbed initial cost impacts. Some residents also appeared hesitant to report concerns due to fear of retaliation (e.g., eviction threats or non-renewal). As insurance benefits expire or reach limits, residents may become more sensitive to sustained rent burdens and more likely to report potential violations. This suggests a lag between the occurrence of unlawful pricing and consumer reporting, underscoring the need for early outreach and proactive compliance messaging.

6. Assessment of current market conditions in fire-impacted areas and their relationship to price gouging protections

In tracking the limited progress of the rebuilding effort, DCBA presumes the demand for construction materials and services as well as emergency cleanup have yet to reach their peak. Supply chain disruption and labor shortages further exacerbated by immigration enforcement activity are expected to exert added pressure, with scarcity driving prices dramatically upward.³⁴ In data provided by the Federal Reserve Bank of St. Louis that measures all employees in construction, the Los Angeles-Long Beach-Anaheim region has seen a decline from 260,000 to 240,000 over the course of 2025.³⁵

³⁴ ["Altadena ICE raid highlights fears that roundups will stymie rebuilding efforts" LA Times, June 2025](#)

³⁵ [Federal Reserve Bank of St. Louis FRED Data](#)

With respect to the rental market, individual instances of illegal rent increases captured by the locally crowdsourced Rent Brigade reporting platform³⁶ remains a boon for enforcement and a reminder of continuing violations, but it does little to help identify trends in a market in which scarcity is more the driver of rental rates. Using available rental data from Zillow which uses a three-month simple moving average, adjusts for seasonality, and factors in rentals not published on its platform, the overall rental market appears to have stabilized with median rents for the County only 2.1 percent above levels in November 2024.³⁷ A published analysis that focused on ZIP code data, however, showed that specific areas surrounding the two fire zones sustained increases throughout 2025, with the most affluent areas seeing median growth near or above the 10 percent threshold.³⁸ Using median data as evidence of rampant price gouging, however, is complicated as it takes into account a whole range of apartments, modest studios to large luxury single family homes. A jump in median rates for a particular ZIP code may be more suggestive of a surge of new listings of the most valuable properties as opposed to a wholesale increase in rents across the board. In looking at the breakdown by number of bedrooms (available through RentHop and other databases), we found that condition to be true in several, but not all, of the most affluent ZIP codes. Often price increases were concentrated at the four-to-five-bedroom level, with median rate increases for more modest rental properties generally remaining flat.

In terms of overall supply, Realtor.com in their latest reports show overall rental inventory as higher than pre-wildfire levels, with year-over-year growth from November 2024 at 6.32 percent, translating into approximately 27,000 available listings.³⁹ As promising as that is, the City of Los Angeles (City) is currently reviewing unintended consequences of its Unite to House LA tax, with some councilmembers claiming the measure as written is significantly undermining the current and future production of multifamily housing.⁴⁰ Additionally, the slow rebuild of multi-family rental units may not be related to permit delays or insurance disputes, but rather to owners voluntarily waiting out any expiring protections in order to upgrade to higher-profit uses, such as condos or commercial space. These potential realities further dim the potential outlook for stability and growth in the County's rental inventory in which available supply is critical to combat rate surges and the incentive to gouge.

7. Overview of the Department of Angels report released in January 2026

While market assessments remain speculative and driven by limited access to data and expertise, there is little doubt the wildfire communities require additional support. The survey responses and analysis provided in the Department of Angels report (Report) released in January 2026 suggests a population in dire need of continued assistance.⁴¹

³⁶ [The Rent Brigade](#)

³⁷ [Zillow Housing Data](#)

³⁸ ["One Year After the Los Angeles Fires - How Have Rents Shifted in Nearby Areas" Snyder, First American, January 2026](#)

³⁹ [Realtor.com Los Angeles County Real Estate Market Summary, December 2025](#)

⁴⁰ [LA City Council Motion January 27, 2026](#)

⁴¹ ["Community Voices: LA Fire Recovery Report, Embold Research, January 2026](#)

Separate from the troubling prevalence of mental health struggles amongst the recovering community (but likely a direct contributor of it) is the continued displacement and housing insecurity of approximately 70 percent of the fire victims. Now, over one year removed from being forced from their home, there is a growing number of residents reporting they have already exhausted their displacement coverage benefit or will do so within the next six months. While virtually all homeowners had insurance, 31 percent of renters did not. Even those who did have displacement coverage were twice as likely as homeowners to have already run out. Nearly half of the respondents have also reported to have depleted a significant portion of their savings, setting up an affordability crisis that will likely precede any meaningful reconstruction of lost housing stock.

Environmental concerns are compounding this issue, with the slow pace of testing for contaminants and the ability to remediate, particularly for standing structures that could otherwise potentially be brought back to habitability. Sixty-nine percent of survivors who experienced a total loss have completed soil contamination remediation, but only 34 percent of those with structural and smoke damage have completed home and soil cleanup. Balancing that shortfall against the financial struggles of the same population creates a condition where more and more homeowners and renters may feel forced to stay in, or return to, an otherwise uninhabitable home.

The Report also suggests a significant “rebuilding gap” resulting from approximately two-thirds of fire victims being underinsured, leaving them with policy limits that fail to cover modern building costs. The Los Angeles County Economic Development Corporation’s comparative study illustrates parallels of this Eaton and Palisades condition with those of past disasters, including the Marshall, Tubbs, Camp, and Lahaina fires which all saw delays in construction, and in some cases remediation, due to severe underinsurance.⁴²

The current state of affairs presented in the Report mandates a County approach that not only focuses on the financial and mental health woes of an ever-increasingly vulnerable population, but also recognizes that the underutilized construction and remediation sectors have yet to reach peak demand, and that demand for short-term housing solutions, now no longer heavily subsidized by replacement coverage, government aid, and individual savings, will likely shift to the limited supply of affordable housing that exists countywide.

8. Overview of protections available to survivors should the price gouging ordinance not be extended

Should the State and local price gouging protections no longer apply, then market conditions would determine any price increases for lodging, goods and services. Relief would be restricted to the following consumer protections:

⁴² ["Impact of 2025 Los Angeles Wildfires and Comparative Study, Institute for Applied Economics, February 2025](#)

- The Unfair Competition Law⁴³

Unfair competition includes any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue, or misleading advertising. A violation of any State or federal law can be the basis for a civil action.

- The False Advertising Law⁴⁴

It is a misdemeanor (punishable by imprisonment in the county jail for up to six months, or by a fine up to \$2,500, or by both) for any person or entity to knowingly make or disseminate untrue or misleading information about goods, property, or services.

- The Consumer Legal Remedies Act⁴⁵

This law prohibits unfair methods of competition and unfair or deceptive acts or practices in the sale or lease of consumer goods or services, including but not limited to false advertising, misrepresenting product quality, or hiding material information. It allows consumers to sue for damages, restitution, injunctions, and attorney fees for violations.

For tenants displaced by the wildfires, the removal of price gouging protections related to leases will be subject to either the State's Tenant Protection Act or any local jurisdiction's rent protections. In most cases, this will allow the rental rates of single-family homes, condominiums, and units in newer developments to increase at the discretion of the landlord, provided the tenant does not already have an active lease. Rental properties with no past rental history within a year prior to the wildfires will have no limit to the rent that can be charged, nor would converted properties that were previously being offered as daily rentals.

With the important exceptions noted above, the following is a quick summary of ongoing protections for areas of the County:

- Rent Stabilization and Tenant Protections Ordinance (RSTPO)⁴⁶

RSTPO limits annual rent increases based on changes in the Consumer Price Index (CPI) for rent-stabilized units, but only in unincorporated areas of Los Angeles County. It also protects tenants in residential units from being evicted without a valid reason (also known as "just cause"). RSTPO provides a process for property owners to seek relief if they believe they are not receiving a fair return on their rental units under the permitted maximum annual rent increase. The RSTPO also provides a process for tenants to seek relief for an unlawful rent

⁴³ [Bus. & Prof. Code 17200](#)

⁴⁴ [Bus. & Prof. Code 17500](#)

⁴⁵ [Civil Code 1750](#)

⁴⁶ [County Code Chapter 8.52](#)

increase, a reduction in housing services, and/or failure to maintain a habitable premise.

- Mobilehome Rent Stabilization and Mobilehome Owner Protections Ordinance (MRSMOPO)⁴⁷

MRSMOPO limits annual rent increases based on changes in the Consumer Price Index (CPI) for mobilehome spaces in the unincorporated areas of Los Angeles County. The MRSMOPO also provides a process for mobilehome park owners to seek relief if they believe they are unable to receive a fair return in the operation of their mobilehome park under the permitted maximum annual rent increase. The MRSMOPO also includes a process for mobilehome owners to seek relief for an unlawful rent increase and/or a reduction in housing services.

- The Tenant Protection Act⁴⁸

Until January 1, 2030, with limited exception, an owner of residential real property is prohibited from terminating a tenancy without just cause where the tenant has continuously and lawfully occupied a residential real property for 12 months.

In addition, until January 1, 2030, an owner of residential real property is prohibited from, over the course of any 12-month period, increasing the gross rental rate for a dwelling or unit more than five percent plus the percentage change in the cost of living, or 10 percent, whichever is lower. With limited exception, an owner of a unit of residential real property is also prohibited from increasing the gross rental rate for the unit in more than two increments over a 12-month period, after the tenant has occupied the unit over a 12-month period.

⁴⁷ [County Code Chapter 8.57](#)

⁴⁸ [Civil Code 1947.12, 1947.13, & 1947.2](#)