

MOTION BY SUPERVISORS LINDSEY P. HORVATH AND

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**Combatting LA County’s Price Gouging Crisis: Protecting Renters and**

**Consumers**

The January 2025 Windstorm and Critical Fire Events including the Palisades Fire, Eaton Fire, Hurst Fire, Kenneth Fire, Hughes Fire, and other fires have caused unprecedented destruction across Los Angeles County (“County”), causing loss of life, widespread damage, and requiring the evacuation of over one hundred thousand residents.

On January 7, 2025, the Chair of the Los Angeles County Board of Supervisors (“Board”) proclaimed the existence of a local emergency for the January 2025 Windstorm and Critical Fire Events (“Proclamation of Local Emergency”) in the County, and the Governor also declared a state of emergency. These emergency declarations trigger state and local anti-price gouging laws to protect the public from unreasonable price increases. The Board affirmed the Proclamation of Local Emergency on January 14, 2025, and took swift action to protect renters who were giving shelter to people or their pets who were fleeing the fires, and to affirm its support to protect renters from price

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gouging.

However, the impact on the housing market was immediate. Numerous news outlets reported on the rampant price gouging<sup>1</sup> and crowdsourced reports quickly compiled online examples from across the County, not just in the immediate vicinity of the fire-ravaged communities. One report found thousands of instances of rental price gouging in the first 11 days of the crisis alone<sup>2</sup>. The County must take additional action to curb this illegal behavior, increase enforcement resources, and ensure that bad actors do not continue to take advantage of this crisis.

As of January 29, 2025, the Palisades and Eaton fires have destroyed at least 16,555 structures and damaged another 2,090<sup>3</sup>, many of which are residential properties. In the unincorporated areas of the LA County – mainly Altadena – there were more than 100 multifamily rental properties destroyed. The City of Los Angeles Housing Department reported there were 751 multi-family units, out of a total 992 in the area, that were destroyed in the Palisades fire, 75% of which were rent-stabilized units.<sup>4</sup> Two mobile home parks with more than 320 residences were also destroyed.

Additionally, preliminary data from the Department of Economic Opportunity estimates that over 20,000 businesses and over 125,000 employees, have been impacted. And these figures do not take into account independently employed landscapers, housekeepers, or child caregivers. These workers live throughout the

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<sup>1</sup> "Asking Rents Skyrocket as LA Fires Destroy Homes" LAist, 1/10/25 <https://laist.com/news/housing-homelessness/los-angeles-palisades-fire-housing-rent-price-gouging-law-california-zillow-listing>

<sup>2</sup> "After the LA Fires: Rent-Gouging in the Wake of the Disaster" The Rent Brigade, January 2025: <https://www.rentbrigade.org/report>

<sup>3</sup> Cal Fires Status Reports, <https://www.fire.ca.gov/>

<sup>4</sup> Verbal Report to Los Angeles City Council, Agenda Item 15, 1/29/25

County, including in our unincorporated areas.

On January 28, 2025, the Board approved the creation of a \$32 million fund, built on equity principals, for people whose homes or businesses were destroyed, or for workers who were directly impacted, however, it will still take some time to get funding to those that need it most. Many of the tens of thousands of people impacted by the fires have yet to access sufficient financial emergency resources, whether that is FEMA or other government assistance, insurance, or philanthropic funds.

Study after study demonstrates that Los Angeles is one of the most unaffordable housing markets in the country, lacking hundreds of thousands of affordable housing units. This crisis coupled with the impact of a natural disaster of this scale require swift emergency action to make sure we keep people in the housing they are in and prevent even more people from falling into homelessness.

**WE, THEREFORE, MOVE** that the Board of Supervisors direct County Counsel, in collaboration with DCBA, to return to the Board at the February 11, 2025, meeting with a draft resolution to increase the maximum civil penalty allowed under Chapter 8.09 of the County Code for price gouging in an amount not to exceed \$50,000 per violation.

**WE, FURTHER, MOVE** that the Board of Supervisors:

- 1) Authorize County Counsel, at their discretion, to consider initiating litigation, joining existing litigation, or filing an amicus brief in litigation regarding price gouging and price fixing algorithmic software.
- 2) Direct Department of Consumer and Business Affairs to consult with stakeholders, including tenants and property owners, and report back in 60

days on limiting the use, sale, or licensing of algorithmic rental price fixing software that sets or raises rental amounts, using recently adopted ordinances in other jurisdictions like the City of San Francisco as a guide.

- 3) Direct the Department of Human Resources, in consultation with the Chief Executive Officer and the Department of Consumer and Business Affairs, to request Disaster Service Workers with the relevant experience to assist the Department of Consumer and Business Affairs in the investigation of price gouging complaints and other critical consumer protection functions.
- 4) Direct the Chief Executive Officer – Office of Legislative Affairs and Intergovernmental Relations in consultation with the Department of Consumer and Business Affairs to draft a five-signature letter requesting all online housing providers, applications, and platforms offering housing accommodations for sale or for rent, including short term rentals, including but not limited to Redfin, Zillow, Apartments.com, AirBnB, and VRBO:
  - i. Provide a notice on their website, through a banner headline or other means that Los Angeles County is under a state of emergency and price gouging laws are in effect;
  - ii. Display information on the state of emergency and price gouging laws when customers do geographic searches for areas within Los Angeles County; and
  - iii. Preserve rental price history for properties listed and removed from the platform that were rented or removed without being rented, a minimum of 30 days prior to the emergency declaration

and through the duration of the emergency declaration.

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