

EDWARD YEN EXECUTIVE OFFICER

## COUNTY OF LOS ANGELES BOARD OF SUPERVISORS

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February 18, 2025

The Honorable Mark González California State Assembly 1021 O Street, Suite 6150 Sacramento, CA 95814

Dear Assemblymember González:

We write in support of your bill AB 380, because it would extend price gouging protections on hotels, food, and other essential goods and services for the full duration of an emergency declaration to safeguard Angelenos from predatory price gouging during times of crisis.

Our Board adopted a <u>motion</u> on February 18, 2025, to support your bill because it would provide much-needed stability for Californians recovering from crises, preventing opportunistic price hikes that could further displace vulnerable communities.

In the wake of the devastation brought on by January's firestorms, tens of thousands of residents were left to seek shelter, further straining an already expensive housing market and exacerbating the region's housing crisis.

State price gouging protections were immediately activated shortly after the start of the fires on January 7<sup>th</sup>, yet reports indicate that some landlords and corporate rental firms have potentially engaged in price gouging.

Investigations revealed that short-term rental companies have listed units at significantly inflated prices, with some rates increasing by over 50 percent compared to pre-disaster levels. Additionally, the California Department of Justice has issued warnings to more than 200 hotels and landlords for alleged violations, as tenants and housing advocates document widespread rent hikes beyond the legal threshold.

Upon the declaration of an emergency, current law requires a renewal of a 30-day cap on price gouging protections for hotels, food and other emergency services every 30 days, which fails to account for the prolonged recovery periods following large-scale disasters.

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The recent wildfires underscore the necessity for robust consumer protection laws that extend price gouging protections for essential goods and services beyond arbitrary time limits. Reports indicate that as emergency declarations remain in place for months, affected residents continue to face exploitative pricing. In some cases, landlords have circumvented legal restrictions by relisting rental units at inflated prices under new terms, exploiting loopholes in enforcement.

Passage of AB 380 would ensure that price gouging protections remain in full effect for the full duration of an emergency declaration, aligning them with rental housing safeguards.

Thank you for your leadership and for authoring this legislation to support the County's road to recovery.

Sincerely,

KATHRYN BARGER <sup>O</sup> Chair of the Board Supervisor, Fifth District

HILDA L. SOLIS Supervisor, First District

LINDSEY<sup>I</sup>P. HORVATH Supervisor, Third District

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