

REVISED MOTION BY SUPERVISORS LINDSEY P. HORVATH October 21, 2025
AND KATHRYN BARGER

Extending Price Gouging Protections for Housing

The Declaration of a State of Emergency on January 7, 2025, as a result of the tragic wildfires activated price gouging protections under State and local law, prohibiting price increases beyond 10% of pre-disaster prices for goods and services, including housing. Subsequent State Executive Orders¹ and Board of Supervisors² (Board) actions have extended price gouging protections, but the protections related to housing are set to expire after October 29, 2025. With limited stated exceptions, in a declared emergency, California Penal Code section 396 subdivision (d) prohibits price gouging in hotel or motel rates, subdivision (e) prohibits price gouging for rental housing, and subdivision (f) prohibits eviction of a residential tenant and re-letting the unit at a higher price. California Penal Code section 396 subdivision (g) also provides that when the County extends the declared emergency, it can also authorize specified price increases that exceed the amount that would be permissible under Penal Code section 396.

¹ Executive Orders [N-4-25](#), [N-9-25](#), [N-17-25](#) and [N-23-25](#)
² [Item 29-B, March 4, 2025](#), [Item 7, June 24, 2025](#), [Item 11, July 29, 2025](#), [Item 15, August 12, 2025](#), [Item 13, September 16, 2025](#)

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These protections continue to be necessary. Tens of thousands of people remain displaced, and families which signed short-term leases could face drastic price increases of 50% or more without further price gouging protections. In a recent article in the LA Times³, a survey of more than 2,300 wildfire-impacted households by the Department of Angels, a fire recovery program launched after the fires, found continued housing instability and financial struggles:

“Roughly 75% of surveyed Pacific Palisades residents and 67% of surveyed Altadena residents are in temporary housing. Many expect they’ll have to move again in the next few months. The report found that although residents who experienced a total loss have struggled with finding stable housing, residents who experienced structural and smoke or ash damage have had to move more frequently.”

Rent prices in the areas adjacent to fires ~~continue to climb~~ have climbed faster than the rest of the County.⁴ A 2023 Study from the Brookings looking at 20 years of data across several states, found that in disaster impacted areas, “disasters significantly increased rents, lasting for several years.”⁵ The Board recently approved an urgency ordinance to strengthen enforcement of its price gouging laws.⁶

Current State law allows the extension of price gouging prohibitions every 30 days, including by a local jurisdiction, if deemed necessary to protect the lives, property, or welfare of the citizens. Current State law also allows specified price increases. The County also has enacted local price gouging prohibitions as permitted by State law in

³ [“Nine months after fires, residents continue to struggle with housing stability, finances”](#), Los Angeles Times, October 17, 2025

⁴ [“In areas near January’s fires, rent is climbing faster than in rest of county.”](#) Los Angeles Times, 5/30/25

⁵ [“Disasters and the Rental Housing Community: Setting a Research and Policy Agenda,”](#) The Brookings Institute, October 2023

⁶ [Item 54, September 2, 2025](#)

County Code Chapter 8.09, which are also subject to State law extension requirements. With these critical price gouging protections about to expire, it is necessary that the Board continue to protect residents from unscrupulous and excessive housing price increases during this ongoing emergency, while at the same time acknowledging the need for specific price adjustments to ensure the continued supply and availability of rental housing in all forms, including new construction. Penal Code section 396 subsection (e) allows increases of rental price by 10 percent. Penal Code section 396 subdivision (j)(11)(B) defines "rental price" as follows:

"For housing not rented and not offered for rent within one year prior to the proclamation or declaration of emergency, 160 percent of the fair market rent established by the United States Department of Housing and Urban Development. This amount may be increased by 5 percent if the housing is offered for rent fully furnished. This amount shall not be adjusted for any other good or service, including, but not limited to, gardening or utilities currently or formerly provided in connection with the lease."

As written, new construction would fall under this rental price limit and would be less likely to be placed on the market for rent if these limitations remain. This reduction in rental housing supply will hurt renters competing for limited housing resources. Therefore, a need exists to increase the percentage from 160 percent to 200 percent based on current market conditions and pricing trends for new construction.

! WE, THEREFORE, MOVE that the Board of Supervisors, effective October 29, 2025:

1. Extend for thirty (30) days, through and including November 28, 2025, the protections of California Penal Code section 396, subdivisions (d), (e), and (f), to limit price-gouging in the rental market and in hotels and motels and to continue its protections against eviction and the protections of County Code Chapter 8.09, pursuant to Penal Code
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section 396(g). The Board finds that this extension is necessary because of complaints of price gouging which are continuing, and have been increasing, and that such an extension will protect the lives, property, and/or welfare of the residents of the County; and

2. Authorize a specified price increase of the rental price for housing not rented and not offered for rent within one year prior to the proclamation or declaration of emergency as defined in Penal Code section 396 subdivision (j)(11)(B) as follows: For Los Angeles County, increase the rental price formula for such housing from 160 percent of the fair market rent established by the U.S. Department of Housing and Urban Development (HUD) to 200 percent to more accurately reflect rental market conditions in Los Angeles County. All other provisions of Penal Code section 396 subdivision (j)(11)(B) shall remain unchanged.

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