

MOTION BY SUPERVISOR LINDSEY P. HORVATH

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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 due to the declared state and local emergencies.

The protections related to housing are set to expire after February 27, 2026. With limited stated exceptions, in a declared state or local 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. In addition, on January 6, 2026,

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](#), [October 21, 2025](#), [November 25, 2025](#), [December 9, 2025](#), [January 13, 2026](#)

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the price gouging protections in the Governor's Executive Order N-4-25 for goods and services, including reconstruction and emergency goods and services, as set out in Penal Code section 396, subdivisions (b) and (c), were extended in his Executive Order-N-1-26, but only until February 7, 2026.

California Penal Code section 396 subdivision (g) provides that these prohibitions may be extended for additional periods by the County if deemed necessary to protect the lives, property, or welfare of the citizens. It 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. In its October 21, 2025 action the Board of Supervisors authorized 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) 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.

These price gouging protections continue to be necessary. For example, 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 protection. A 2023 Study from the Brookings Institute looking at 20 years of data across several states, found that in disaster impacted areas, “disasters significantly increased rents, lasting for several years.”³

³ [“Disasters and the Rental Housing Community: Setting a Research and Policy Agenda,”](#) The Brookings Institute, October 2023
HOA.105809885.1

The Board recently approved an urgency ordinance to strengthen enforcement of its price gouging laws.⁴ The Department of Consumer and Business Affairs has successfully enforced price gouging complaints which led to tens of thousands of dollars in restitution to impacted tenants.

Rent prices in the areas adjacent to fires have climbed faster than the rest of the County.⁵ As insurance money runs out for impacted households, many are still living in temporary housing. Every three months the Department of Angels conducts a survey of individuals who lived in fire impacted communities. The most recent survey was conducted between November 18 and December 2, 2025, and included 2,443 adults. The results remained similar to the three prior surveys and showed that fire survivors continue to struggle and remain in temporary housing. The survey found that 74% of those living in Pacific Palisades are living in temporary housing and that 65% of those living in Altadena are in temporary housing, which are essentially the same rates from the September survey.

It is critical to continue to have price gouging restrictions while these households remain in temporary housing, so that their rental rates are not increased by significant amounts. The most recent survey also found that more and more survivors are starting to run out of financial displacement coverage from their insurance companies, which reinforces the need to continue price gouging restrictions. Lastly, the survey showed that concerns about the long-term financial impact to households, paying for temporary housing, and finding local affordable housing were some of the critical concerns of

⁴ [Item 54, September 2, 2025](#)

⁵ ["In areas near January's fires, rent is climbing faster than in rest of county,"](#) Los Angeles Times, 5/30/25
HOA.105809885.1

survivors.

The County also has enacted local price gouging prohibitions as permitted by State law in 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 price increases during this ongoing emergency.

I, THEREFORE, MOVE that the Board of Supervisors, effective February 28, 2026:

1. Extend for thirty (30) days, through and including March 29, 2026, the protections of California Penal Code section 396, subdivisions (b), (c), (d), (e), and (f), to limit price-gouging for applicable goods and services and in the housing rental market, in hotels and motels, and to continue the protections of County Code Chapter 8.09, pursuant to Penal Code section 396 subdivision (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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