

MOTION BY SUPERVISOR LINDSEY P. HORVATH

December 9, 2025

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 December 28, 2025. 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

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](#)

MOTION

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January 7, 2026, 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), will expire, unless extended.

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

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. In a recent article in the LA Times⁶, 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.”

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.

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

⁶ [“Nine months after fires, residents continue to struggle with housing stability, finances”](#), Los Angeles Times, October 17, 2025

I, THEREFORE, MOVE that the Board of Supervisors, effective December 29, 2025:

1. Extend for thirty (30) days, through and including January 28, 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, and 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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SUP:jg