

MOTION

The devastation caused by January’s fires has continued long after the flames were extinguished. Through lost jobs, shuttered businesses, and widespread economic hardship, families across Los Angeles are facing increased housing insecurity. The Eaton and Palisades fires destroyed over 12,000 homes, leaving tens of thousands of Angelenos without a home and adding immense stress to our city’s ongoing housing crisis. Studies show that rent in the region has already increased by 20%. Unfortunately, over the past three months, bad actors in the real estate industry have taken advantage of this terrible crisis to illegally inflate the price of rental housing, knowing that disaster survivors and vulnerable tenants will have little choice but to pay. California Penal Code 396, which remains in effect in Los Angeles County until January 7th, 2026, outlaws rental increases of greater than 10% as well as rental listings that exceed 160% of Fair Market Rent. Despite this, The Rent Brigade, a grassroots collective of tenant advocates and researchers in Los Angeles, has published research uncovering over 4,500 violations of Penal Code 396 rent-gouging over the past few months, amounting to over \$17,000,000 unlawfully gouged from the pockets of tenants in the City of Los Angeles every month.

The City Attorney, as well as the County District Attorney and the State Attorney General, have the authority to investigate and charge individuals and corporations who violate statewide price-gouging laws. Thus far, however, enforcement has been limited, with only a handful of individuals and corporations charged under California Penal Code 396(e). This lack of deterrent has driven sustained illegal price gouging in the rental market: The Rent Brigade’s research shows that unlawful rent-gouging is increasing steadily, week-over-week. Moreover, their April report revealed the outsized role that corporate landlords have played in driving up rental prices across the City of Los Angeles.


In light of these challenges, the City must act decisively to enforce price-gouging laws and deter bad actors from breaking the law to harm tenants, including by increasing transparency about its efforts to do so.

**I THEREFORE MOVE** that the City Council instruct the Chief Legislative Analyst to work with the City Attorney and other City entities as necessary, to produce monthly reports on the City’s response to complaints of price gouging in the rental housing market, received by any City Department, for the duration of the statewide emergency order declared in response to the January 2025 fires and for six months after, and that such monthly reports include, but are not limited to:

- A count of the price gouging complaints (“complaints”) received by the City;
- The average response times between receipt of a complaint and the initiation of investigations and any enforcement by the City;
- A categorization and count of the City’s responses to complaints, including enforcement actions;
- A geographic breakdown of the complaints and of City enforcement actions
- A list of repeat offenders about whom the City received complaints;
- Any recommendations for improving enforcement and increasing deterrence of illegal rent gouging;

DD

PRESENTED BY:

  
HUGO SOTO-MARTÍNEZ  
Councilmember, 13<sup>th</sup> District

SECONDED BY:



ORIGINAL

MAY 02 2025