

Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO.: R25-0627

Dec 10, 2025

PUBLIC REPORT RE: PRICE GOUGING

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 25-0006-S77

Honorable Members:

In response to the motion adopted under Council File No. 25-0006-S77, the Office of the City Attorney respectfully submits the following report outlining the enforcement measures we were able to undertake to combat unlawful price gouging of rental properties in the aftermath of the January 2025 wildfires in Los Angeles.

Emergency Response and Enforcement Strategy

Following Governor Gavin Newsom's declaration of a State of Emergency on January 7, 2025, City Attorney Hydee Feldstein Soto met with the District Attorney, the Attorney General and the US Attorney to work on a coordinated law enforcement response to the violations of law in the wake of the wildfires. As the result of that meeting, the Los Angeles City Attorney's Office focused on misdemeanor crimes like curfew violations and on civil enforcement actions to curtail price gouging.

By January 10, 2025, the Public Rights Branch of the Office had met to put together a task force (the "Task Force") of legal professionals – attorneys, paralegals, investigators, and support staff – who suspended the bulk of their existing caseloads and mobilized around a single objective: how to best investigate, deter and where necessary enforce California Penal Code section 396(e), the state's prohibition on rental



price gouging during declared emergencies. The Task Force focused on identifying potential violations, developing uniform civil-enforcement protocols, and coordinating its efforts with other law-enforcement partners and the Criminal Branch.

This initiative yielded the rapid deployment of a multi-pronged enforcement strategy. Within days, the Task Force launched a dedicated phone and email intake system so that complaints of price gouging from tenants and concerned residents could be directly received and investigated by staff in our Office. By mid-February, in collaboration with the Mayor's Office and the Information Technology Agency, a customized price-gouging complaint portal was built into the City's website, allowing streamlined complaint submissions routed through 311.

In the ensuing months, the Task Force investigated more than 1,100 referrals alleging unlawful rent increases. The urgency of acting in real time, often with limited preliminary information, meant a definitive determination of price gouging often could not be immediately made. Still, because of the urgency involved, the Task Force tracked down property owners, managers, and real estate agents, and made efforts to resolve a number of violations consensually, with full restitution to tenants, compliance and often without the need for further action.

This process began with the Task Force promptly sending approximately 500 cease-and-desist letters to property owners and real estate agents where reported increases appeared to exceed the statutory 10 percent cap.¹ In those matters that were resolved by agreement, the Office demanded the rollback of any potentially unlawful rent, issuance of refunds for excess charges (plus 10 percent interest), and full compliance with the law. The Office has not specifically tracked or categorized whether each complaint related to an individual or fictitious entity.²

In addition to enforcement measures against owners and agents, and recognizing that tenants are often the first and most impacted witnesses to price-gouging conduct, the Task Force also sent approximately 500 letters to tenants believed to be residing at affected properties. Those letters invited recipients to share documentation or other relevant information.

¹ The Task Force did not track the time between receiving a complaint and initiating an investigation for that complaint. Nor would it have been practical to do so given the sheer volume of complaints that came in, particularly in the early stages, and the limited resources available to address those complaints. The Office's focus was on quickly setting up and implementing an effective program to correct and deter violations, achieve ongoing compliance, and where necessary enforce the law.

² As a general matter, the single-family dwellings involved were often owned by individuals, while many multi-unit properties were held by fictitious entities such as limited liability companies. There was, however, a crossover of ownership.

Investigations, Enforcement Actions, and Tenant Monetary Relief Secured

The Task Force's cease and desist letters were highly effective in resolving claims in the vast majority of instances, eliminating the need for time and resource intensive enforcement actions.

Where warranted, however, the Task Force employed formal investigative tools, including the issuance of subpoenas. In the most egregious cases, the Office initiated formal legal proceedings. To date, the Task Force has filed three civil lawsuits. The Criminal Branch of our Office has filed misdemeanor criminal charges against 10 defendants in four separate cases where the offense was within the City limits.

Civil Litigation:

- People v. Airbnb, Inc., LA Superior Court Case No. 25STCV21244: On July 16, 2025, our Office filed a lawsuit against Airbnb, the online short-term rental platform, alleging in part, that thousands of Airbnb listings were price gouged in violation of both Penal Code section 396(e) and LAMC section 47.12.³
- People v. Akiva Nourollah, et al., LA Superior Court Case No. 25STCV07712: On March 18, 2025, our office filed a lawsuit against a group of individuals and related business entities alleging numerous violations of Penal Code section 396(e) and the City's Home-Sharing Ordinance (LAMC section 12.22 A.32).
- People v. Blueground US, Inc., LA Superior Court Case No. 25STCV02951: On February 3, 2025, our office filed a lawsuit against Blueground US, Inc., an entity offering furnished rentals of one month or more, alleging multiple violations of Penal Code section 396(e).

Criminal Filings:

- People v. Cooke & Perry, LA Superior Court Case No. 25CJCM00579. Our Office charged defendants with price gouging a rental property in violation of PC 396(e) and with violating LAMC 45.36(c), the City's Tenant Anti-Harassment Ordinance. The Court granted Judicial Diversion (over the People's objection) which included fines and an order to not harass the victim tenant.

³ Information about this LAMC section can be found below.

- People v. Patel & Patel, LA Superior Court Case No. pending. Our Office charged defendants with price gouging a rental property in violation of PC 396(e).
- People v. Chaves, Chaves Valdes, Chaves & PCAM LLC, LA Superior Court Case No. 25CJCM06980. Our Office charged defendants with price gouging animal boarding services in violation of PC 396(b).
- People v. Ortega & Gibson Ranch LA LLC, LA Superior Court Case No. 25CJCM06876. Our Office charged defendants with price gouging animal boarding services in violation of PC 396(b).

We expect the matters in litigation to result in restitution payments to hundreds if not thousands of rent gouging victims, substantial civil penalties paid to the City, and injunctive relief prohibiting future price gouging. Further litigation is also under evaluation, as are additional criminal filings.

Additionally, the Office's informal interventions have already delivered substantial benefits: as of October 2025, we had recovered restitution of approximately \$100,000 for tenants who were price gouged and achieved compliance at a prospective savings of hundreds of thousands annually to affected tenants. We have also corresponded with many property owners whose listings exceeded permissible rates, and secured reductions to compliant amounts before the units were rented.

Geographic Distribution of Price Gouging Complaints

Although the Office does not systematically track City Council District data for price gouging matters, the 812 complaints that were submitted through 311 can be electronically sorted by Council District. The chart below reflects the distribution of those 812 complaints. We think this distribution is largely reflective of the distribution of all of the complaints we have investigated to date.

Council District	Percentage from the Sample
Council District 01	2.3%
Council District 02	4.7%
Council District 03	7.4%
Council District 04	22.5%
Council District 05	20.2%
Council District 06	0.7%
Council District 07	0.5%
Council District 08	1.2%

Council District 09	1.4%
Council District 10	4.4%
Council District 11	17.4%
Council District 12	4.3%
Council District 13	8.0%
Council District 14	4.6%
Council District 15	0.4%

Policy Developments, Price Gouging Extensions, and Regional Coordination

On February 28, 2025, the Los Angeles Municipal Code was amended to include enhanced protections against price gouging. (L.A.M.C. § 47.12.) Like Penal Code section 396, the amended ordinance prohibits rent increases of more than 10 percent following a declared emergency.

Separately, on June 24, 2025, the Los Angeles County Board of Supervisors extended the protections under Penal Code section 396(e) through July 31, followed by further extensions through August 30, September 30, October 29, and, most recently, through November 28. With the latest extension, the Board also revised the standard for evaluating potential violations of section 396(e) for units that had not been rented or offered for rent within one year before the emergency declaration, increasing the applicable benchmark from 160 percent to 200 percent of the fair market rent established by the U.S. Department of Housing and Urban Development. These successive extensions preserved both City and County enforcement authority and ensured that tenant protections remained in force throughout the recovery period.

Recognizing the cross-jurisdictional nature of illegal rent gouging throughout Los Angeles County, in January 2025, the City Attorney helped convene a multi-agency working group that includes the Los Angeles County Department of Consumer and Business Affairs, the California Attorney General's Office, Los Angeles County Counsel, the Los Angeles District Attorney's Office, and other enforcement partners. This coordinated approach strengthened enforcement efforts and promoted alignment across agencies.

Community Outreach and Staffing

In addition to enforcement, the Office conducted community outreach to inform the public of price-gouging laws and available remedies. For example, staff participated at a FEMA Disaster Recovery Center event in West Los Angeles to assist residents with legal concerns, including rent gouging.


Please note that on February 5, 2025, our Office formally requested that Council fund the hiring of two additional Deputy City Attorneys, one investigator, and one legal clerk to support the growing workload. Although no new positions were authorized, the Office remains committed to advancing its efforts and has continued to achieve meaningful results with existing personnel.

The Office has worked to be as responsive and transparent as possible in preparing this report. Because the underlying matters involve ongoing law enforcement investigations and both civil and criminal prosecutions on behalf of the People of the State of California, we are limited in what we can share publicly. Still, we stand ready to provide further updates as our enforcement efforts continue.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By



JONATHAN CRISTALL
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JC:dm