

# 2025 Los Angeles Fires:

## **KEY LAWS FOR LANDLORDS TO KNOW ABOUT**

The Palisades, Eaton, Kenneth and Hurst fires have devastated the Los Angeles region. During this time, it is more important than ever for rental housing providers to ensure they are following the law, including special rules that apply during times of declared emergency. This document provides some information on key laws landlords need to be aware of in the wake of these fires.

### **Anti-Price Gouging Law**

California Penal Code Section 396 makes it illegal for a rental property owner to increase the rental price, advertised, offered, or charged for housing to an existing or prospective resident by more than 10% of the price charged immediately prior to the proclamation or declaration of emergency. The law applies immediately upon a proclamation or declaration of emergency. Key provisions of the law include:

- The 10% cap stays in effect for an initial period of 30 days following the proclamation but can be extended through executive order of the Governor or by extension of the local emergency declaration.
- All rental housing providers and all types of rental units are covered by the law. There is no exception for short-term leases, and the Governor has suspended a provision of the law that exempts housing with an initial lease term of more than one year (additional information <a href="here">here</a>). There are no exceptions based on the type of property or property owner. Even if the property is exempt from state and local rent control, the anti-price gouging law still applies.
- The state of emergency for the January 2025 Windstorm and Critical Fire Events was declared on January 7, 2025, triggering the 10% cap.

The Governor has extended the 10% cap to stay in effect through at least March 8, 2025, and this date could be further extended in the future.

- For rental units that were occupied at the time the emergency was declared, the 10% cap is based on the rent that was in effect when the emergency was declared. In limited cases, the rental price to which the 10% cap applies may be adjusted higher if the unit is subject to a local rent control law and then becomes vacant after the emergency was declared this special rule typically only applies if the rent for the unit was substantially below market (see Penal Code Section 396(j)(11)(A)).
- If a rental unit was vacant at the time the emergency was declared, the law sets the rental price to which the 10% cap applies as follows:
  - If the unit was rented at any time within one year prior to the emergency declaration, the 10% cap applies to the most recent rental price that was offered before the emergency declaration.



- If the unit was <u>not</u> rented at any time within the one year prior to the emergency declaration, the 10% cap applies to an amount equal to 160% of the "fair market rent" established by the U.S. Department of Housing and Urban Development, available <u>here</u>.
- The Governor has issued an executive order that exempts single-family homes with four or more bedrooms in specified ZIP codes from the rent increase limitations under Penal Code 396, provided they were not rented or offered for rent within one year before the emergency declaration. More information on that order is available <a href="here">here</a>.
- Violation of the law is a misdemeanor, punishable by up to one year in jail and a fine of \$10,000.
  Local governments can enact stricter rules and penalties.

Additional information about Penal Code Section 396 is available for free online from the California Department of Justice, Office of the Attorney General <a href="here">here</a>.

#### State & Local Rent Control Laws

Many properties in Los Angeles County are subject to either state or local rent control laws. These laws apply in addition to the anti-price gouging law and may further restrict the ability to increase rents.

Local rent regulation laws exist in the following places in Los Angeles County:

- Baldwin Park
- Bell Gardens
- Beverly Hills
- Commerce
- Cudahy
- Culver City
- Gardena
- Huntington Park
- Inglewood
- City of Los Angeles
- Maywood
- Pasadena
- Pomona
- Santa Monica
- West Hollywood
- Unincorporated Los Angeles County

The specifics of these laws vary. In general, properties with 2 or more units on a parcel, other than condominiums, and that were constructed before 1995 may be subject to local rent control laws. Properties with 2 or more units, as well as corporately owned single family homes and condominiums, constructed before 2010 may be subject to the state rent control law, the Tenant Protection Act (also known as AB 1482), if they are not already subject to a local law.

AB 1482 limits annual rent increases to 5% plus the regional change in CPI, or 10%, whichever is lower. The limits under local rent control laws are usually lower. In most cases, state and local rent control do not limit how much the rent can be increased after a vacancy, but during an emergency the anti-price gouging law does limit vacancy increases.

#### State & Local Just Cause Eviction Laws

Many properties in Los Angeles County are subject to either state or local just cause eviction laws. These laws allow landlords to require tenants to move out only if they have one of the reasons listed in the law, and they often also have special requirements that must be met before a tenant can be evicted, such as requiring a warning notice to be given for lease violations. These just cause eviction laws apply in addition to any emergency eviction protections laws that may be in place.



Local just cause eviction laws exist in the following places in Los Angeles County:

- Baldwin Park
- Bell Gardens
- Beverly Hills
- Burbank
- Commerce

- Cudahy
- Culver City
- Glendale
- Huntington Park
- Inglewood

- Long Beach
- City of Los Angeles
- Maywood
- Pasadena
- Pomona

- Santa Monica
- South Pasadena
- West Hollywood
- Unincorporated Los Angeles County

If a local just cause eviction law does not apply, the just cause eviction provisions of the state Tenant Protection Act (also known as AB 1482) may apply. Most rental units in Los Angeles County are covered by either state or local just cause eviction requirements.

The specific requirements of these state and local laws vary. In general, just cause eviction laws typically only allow a landlord to terminate a tenancy for reasons such as:

- Default in the payment of rent.
- Breach of a material term of the lease after being given a warning.
- Maintaining, committing, or permitting a nuisance.
- Criminal activity by the tenant or using the property for an unlawful purpose.
- An owner's intent to move-in to the unit as their primary residence, or for certain close relatives to do so.
- Compliance with a government agency or court to vacate the property.
- Intent to demolish or to substantially remodel the property.
- Withdrawal of the entire property from the rental market.

Just cause eviction laws typically also have requirements regarding special notices that must be given, paperwork that must be filed with the local government, and payment of relocation assistance to renters who are required to move due to a "no fault" reason.

#### **Emergency Eviction Protections in Effect**

The Governor has issued an executive order, in effect until March 8 2025, **that prohibits landlords in Los Angeles County from evicting tenants who host individuals displaced by the fires**. That order is available here.

The cities of Los Angeles and Santa Monica and County of Los Angeles (applicable to unincorporated areas) have also enacted emergency eviction rules that prohibit landlords from evicting a renter due to the presence of unauthorized occupants or pets if the unauthorized pet or occupant was displaced due to the fires. These emergency measures apply in addition to any applicable state or local just cause eviction laws. The restrictions adopted by these municipalities are available <a href="here">here</a> for the City of Santa Monica, and <a href="here">here</a> for the County of Los Angeles.



#### **Additional Information**

For more information and resources regarding landlord-tenant laws, including webinars, background papers, and forms, visit caanet.org. These resources include:

- Local Rent Control Chart
- Reference Guide: Laws Affecting the Ability to Raise the Rent
- Just Cause Eviction Local Eviction Control Measures

