



ONE YEAR AFTER THE WILDFIRES: LANDMARK PRICE GOUGING CASE SETTLED, ENFORCEMENT AFFIRMED

For Immediate Release

LOS ANGELES, CA – FEBRUARY 4, 2026 – As Los Angeles marks the first anniversary of the Palisades and Eaton wildfires, tenant rights advocates announced today that **all defendants have settled** in a landmark lawsuit brought to stop illegal rent price gouging in the wake of the disaster. The case stands as a major enforcement victory for renters and nonprofit legal advocates seeking accountability under California's anti-price gouging law.

The lawsuit, filed on February 21, 2025, enforced **California Penal Code § 396**, which prohibits excessive rent increases following a state-declared emergency. Brought by community-based tenant organization **Strategic Actions for a Just Economy (SAJE)** and represented by the **Housing Rights Center, Western Center on Law & Poverty, Legal Aid Foundation of Los Angeles**, and the **California Center for Movement Legal Services**, the case challenged widespread and unlawful rent hikes imposed after families were displaced by wildfires.

The defendants were identified by a spreadsheet that tracks exploitative rent gouging, created by SAJE's Director of Policy and Advocacy, and the Rent Brigade, a grassroots collective. As a result of the litigation and subsequent enforcement actions, at least 270 rental units were protected from illegal price gouging, and enforcement letters were issued to 50 properties, formally notifying landlords that they were in violation of California's price gouging law and demanding compliance. Under the settlement, the defendants agreed to bring affected units into compliance with anti-price gouging law and compensate SAJE for attorneys' fees and staff time devoted to enforcement.

"SAJE filed this lawsuit because we believe anti-rent-gouging laws must be rigorously enforced," said **SAJE Executive Director Cynthia Strathmann**. "Rent-gouging removes affordable units from our already tight housing market, exacerbating Los Angeles' affordable housing and homelessness crises."

Beyond immediate tenant protections, the case established **critical legal precedent**. The court confirmed that **Penal Code § 396(b)'s price gouging protections apply to rental housing**. The litigation also reaffirmed that nonprofit organizations have standing to bring civil enforcement actions under a diversion-of-resources theory of injury, strengthening the ability of tenant advocates to act swiftly when government enforcement falls short.

The case is one of the **first private enforcement actions brought by nonprofit legal organizations** to combat post-disaster rent gouging at this scale. It demonstrates how community data, tenant organizing, and civil litigation can work together to stop exploitation and preserve housing stability during times of crisis.

"In the aftermath of the wildfires, families who had already lost homes and stability were met with illegal rent hikes that preyed on their vulnerability," said **Rodney Leggett, Litigation Director at the Housing Rights Center**. "Price gouging after a natural disaster exploits survivors and undermines recovery at the moment communities need stability the most."



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Strategic Actions for a Just Economy (SAJE) builds community power and leadership for economic justice, with a vision for society where everyone has access to green space, reliable and safe transit, economic security, and healthy, secure and affordable housing, and where the elements of the built environment necessary to survival are publicly supported infrastructure and not commodities.

Housing Rights Center (HRC) is one of the nation's largest and oldest non-profit civil rights organizations dedicated to securing and promoting Fair Housing. HRC actively supports and promotes freedom of residence through education, advocacy, and litigation, to the end that all persons have the opportunity to secure the housing they desire and can afford, without regard to their race, color, national origin, ancestry, religion, gender, sexual orientation, familial status, marital status, disability, age, veteran status, source of income or other characteristics protected by law.

Legal Aid Foundation of Los Angeles (LAFLA) is a nonprofit law firm that seeks to achieve equal justice for people living in poverty across Greater Los Angeles. LAFLA changes lives through direct representation, systems change, and community empowerment. It has five offices in Los Angeles County, along with four Self-Help Legal Access Centers at area courthouses, and three domestic violence clinics to aid survivors.

Western Center on Law & Poverty (WCLP) is California's premier nonprofit public interest social justice law organization. Founded in 1967, WCLP provide comprehensive advocacy and legal services to prevent poverty, redress systemic racism, and foster policies ensuring equitable healthcare, affordable housing, and fair access to public programs. Through litigation and policy advocacy in and beyond California, WCLP advance racial and economic justice—dismantling and transforming systems so all communities in California can thrive.

California Center for Movement Legal Services works to improve the lives of California's traditionally underserved community members, through impact litigation, robust eviction defense, and community led policy creation, implementation and enforcement.

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