No. 25-5029

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

MELVIA HARRIS; ROBERTA KNIGHTEN,

Plaintiffs-Appellants,

v.

CITY OF LOS ANGELES,

Defendant-Appellee,

STRATEGIC ACTIONS FOR A JUST ECONOMY,

Intervenor-Defendant-Appellee.

On Appeal from the United States District Court for the
Central District of California,
No. 5:24-cv-02679

BRIEF FOR PLAINTIFFS-APPELLANTS

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INTRODUCTION

This appeal concerns landlord-tenant regulations promulgated and enforced by the City of Los Angeles (City or Los Angeles) in the post-pandemic period that squarely conflict with Supreme Court precedent and constitutional first principles. Nearly 50 years ago, the City enacted its "Rent Stabilization Ordinance" (RSO), which regulates numerous aspects of the landlord-tenant relationship in renter-occupied buildings built before October 1978—a stock of housing that continues to comprise the vast majority of rental housing in the City today. Although the RSO contained glaring constitutional defects from the outset, the RSO has grown considerably more constitutionally suspect in recent years as the City has amended it to impose increasingly onerous restrictions on landlords. During the pandemic, for example, the City revised the RSO to categorically prohibit landlords from increasing rents at all—at a time of record-high inflation—and then announced that landlords could not evict tenants who refused to pay even those well-below-market rates. When the pandemic receded, rather than allow the landlords to recoup pandemic-era losses, the City doubled down: It enacted a new spate of property-rights-destroying provisions, prompting this lawsuit.

First, in early 2023, the City declared that, even in the post-pandemic period, a landlord who owns an RSO-regulated property could not evict a tenant who refused to pay his full rent on time—even if the fixed term of that tenant's lease had expired.

Instead, the City declared that a landlord may evict a tenant for a default in rent *only if* his unpaid rent exceeds one month of so-called "fair market rent." Without embarrassment or detection of irony, the City does not assess that "fair market rent" based on what it allows property owners to charge their tenants. Rather, it uses a market-based rate set annually by the U.S. Department of Housing and Urban Development (HUD), which is often substantially higher than a tenant's actual monthly rent. Accordingly, at the same time that Los Angeles prevents property owners from charging tenants market-clearing rates, it uses rents that actually resemble market conditions when protecting defaulting tenants. Because of this policy—referred to here as the "FMR Eviction Restriction"—tenants can shortchange their landlords for potentially months on end, and landlords have no ability to exclude them from their properties unless the unpaid rent exceeds the City's designated, higher threshold.

Second, later in 2023, the City proclaimed that landlords operating the older properties subject to the RSO (and only those landlords) could increase rents only by a paltry 4% during the initial period in 2024 that immediately followed the pandemic. That restriction—referred to here as the "4% Rent-Increase Cap"—did not even keep pace with inflation from the immediately prior year, let alone compensate landlords for the historically high inflationary effects dating back to 2020. Meanwhile, landlords operating non-RSO-regulated properties built after

October 1978 had a green light to increase rents at rates well north of 4%. The net effect of these policies is that, unless one of the RSO's narrow grounds for eviction applies—and the mere end of a lease term is not one of them—landlords operating RSO-regulated properties (and only those properties) have had to continue renting their units to incumbent tenants at a fraction of market rates and cannot evict those who have defaulted on their required payments unless and until the arrearages measured in the thousands of dollars.

Predictably, such policies have led many landlords who own RSO-regulated properties to consider abandoning the rental business and reclaiming their own properties for different uses, like family use. But the City has erected roadblocks there too. It requires landlords to pay exorbitant "relocation fees" to tenants just to repossess their own property. This requirement—referred to here as the "Relocation-Fee Requirement"—applies regardless whether the landlord has the financial resources to pay relocation fees, whether the tenant needs such fees, or whether the fixed term of the tenant's lease has ended.

On top of all that, the City has ensured that landlords themselves must ensure that tenants are well aware of the extent to which the City has stacked the deck in favor of tenants. In particular, the City compels property owners to prominently display City-drafted notices in the common areas of their properties to inform tenants of the FMR Eviction Restriction, 4% Rent-Increase Cap, and Relocation-Fee

Requirement. In other words, the City requires property owners—through the "Renter Protections Notice Requirement"—to provide tenants with step-by-step instructions as to how those tenants can take advantage of the City's various policies to undermine the owners' property rights.

Plaintiffs are two Los Angeles natives who have operated RSO-regulated properties for years and whose patience has finally worn thin. Last year, they filed suit alleging that this suite of regulations is not only unjust—and a recipe to push smaller landlords like them out of the rental business—but unconstitutional several times over. Indeed, as the Supreme Court has explained (including in the landlord-tenant context specifically), the "right to exclude" is of "central importance to property ownership," such that a law that "appropriates for the enjoyment of third parties the owners' right to exclude" is a "*per se* physical taking" requiring payment of just compensation under the Takings Clause. *Cedar Point Nursery v. Hassid*, 594 U.S. 139, 149-50 (2021); *see Ala. Ass'n of Realtors v. HHS*, 594 U.S. 758, 765 (2021) ("[P]reventing [landlords] from evicting tenants who breach their leases intrudes on one of the most fundamental elements of property ownership—the right to exclude."). The FMR Eviction Restriction, 4% Rent-Increase Cap, and Relocation-Fee Requirement all plainly intrude on the right to exclude, as they give tenants government authorization to remain in their units over their landlords' objections. Those are *per se* takings, full stop. But at a bare minimum, they are regulatory

takings under the balancing test set forth in *Penn Central Transportation Co. v. City of New York*, 438 U.S. 104 (1978). Either way, the City cannot impose them without paying just compensation.

The constitutional problems run deeper. The City's intentional decision to subject pre-October 1978 properties (and those alone) to the 4% Rent-Increase Cap violates the Equal Protection Clause, which prohibits discrimination with regard to fundamental rights, like the property rights protected by the Takings Clause. *See, e.g.*, *Att'y Gen. of N.Y. v. Soto-Lopez*, 476 U.S. 898, 904 (1986) (plurality op.). And the Renter Protections Notice Requirement violates the First Amendment, which prohibits the government from conscripting individuals to convey government-drafted messages that they would not otherwise disseminate. *See, e.g.*, *Nat'l Inst. of Fam. & Life Advocs. v. Becerra* (*NIFLA*), 585 U.S. 755, 766 (2018).

In short, the constitutional defects with the challenged provisions here are both obvious and numerous. Nonetheless, in the decision below, the district court dismissed all of Plaintiffs' claims at the threshold. That decision is profoundly wrong and cannot stand. Indeed, the court below repeatedly refused to engage with Plaintiffs' arguments, consistently ignored directly on-point precedent, and frequently embraced positions that not even the City advocated below. That is untenable. This Court should reverse and make clear that City is not free to impose these draconian restrictions without having to litigate beyond the pleading stage.

STATEMENT OF JURISDICTION

The district court had subject-matter jurisdiction under 28 U.S.C. §1331. That court dismissed the complaint on July 31, 2025, *see* ER-7, and Plaintiffs filed a notice of appeal on August 6, 2025, after informing the court that they would not amend the complaint, *see* ER-4, 102. This Court has jurisdiction over the order dismissing Plaintiffs' complaint under 28 U.S.C. §1291. *See* ER-3; *Parrish v. United States*, 605 U.S. 376, 383 (2025); *Edwards v. Marin Park, Inc.*, 356 F.3d 1058, 1065 (9th Cir. 2004); Fed. R. App. P. 4(a)(2).

STATEMENT OF THE ISSUES

1. Whether the FMR Eviction Restriction effected an uncompensated taking of private property.

2. Whether the 4% Rent-Increase Cap effected an uncompensated taking of private property.

3. Whether the 4% Rent-Increase Cap violated Plaintiffs' rights under the Equal Protection Clause.

4. Whether the Relocation-Fee Requirement effected an uncompensated taking of private property.

5. Whether the Renter Protections Notice Requirement violates Plaintiffs' First Amendment rights.

CONSTITUTIONAL AND STATUTORY PROVISIONS

Pertinent statutory and constitutional provisions are reproduced in the addendum to this brief. *See* Add.1a-22a.

STATEMENT OF THE CASE

A. Historical Background

1. The market for rental housing—and observations about the increasing cost of such housing—are both older than the Republic. As Benjamin Franklin remarked in 1763 upon returning to America after time abroad: "The Expence of Living is greatly advanc'd in my Absence," and the "Rent of old Houses" have "trebled in the last Six Years." ER-44.¶28. As the Nation grew and parts of the population headed West, complaints about the housing market followed too. "Residents have struggled to secure housing in Los Angeles," for instance, "extending back to the nineteenth century, when transient laborers rode the rails west to the city seeking work." ER-44.¶29.

Although the American market for rental housing is centuries-old, government efforts to intervene in that market are a relatively recent phenomenon—presumably because "a deeply rooted national belief in the sanctity of the 'unfettered marketplace' has an especially strong claim in the housing sector, which[] … is seen as embodying individual choice unrestrained by the hand of government." ER-45.¶30. In fact, "[r]ent controls were initially imposed in the United States" only "as a result of housing shortages during World War I." ER-45.¶31.

Those initial attempts to arrest market forces in the rental-housing market and to erode bedrock property rights occurred "entirely" at the "local" level. ER-45.¶32. Los Angeles, for example, introduced its first rent-control ordinance in 1921. *See* ER-45.¶33. But that unprecedented government intervention proved short-lived, as the ordinance "was … held unconstitutional." ER-45-46.¶33. Other jurisdictions achieved more success before the courts—but only barely. While the Supreme Court in 1921 rejected Takings Clause challenges to separate rent-control laws enacted by other jurisdictions, it did so on the narrow ground that "rent control could be justified *only* as a temporary measure passed in response to a war-generated crisis." ER-46.¶33 (discussing *Block v. Hirsh*, 256 U.S. 138 (1921), and *Marcus Brown Holding Co. v. Feldman*, 256 U.S. 170 (1921)). That emergencies-are-different approach to constitutional rights has not withstood the test of time—in part because governments tend to perceive emergencies everywhere if doing so expands their powers. Thus, in 2020, the Supreme Court admonished that "the Constitution cannot be put away and forgotten" "even in" emergencies like once-in-a-century pandemics. *Roman Cath. Diocese of Brooklyn v. Cuomo*, 592 U.S. 14, 19 (2020).

While rent control receded with the end of World War I, it emerged again 20 years later amidst World War II—this time, at the behest of the federal government. In 1942, Congress enacted the Emergency Price Control Act, which "authoriz[ed] price ceilings on … residential rents in designated war production areas." ER-

47.¶35; *see Bowles v. Willingham*, 321 U.S. 503, 512-13 (1944). Those designated areas included Los Angeles, where rent control began in November 1942 under the auspices of the "Office of Price Administration," which "controlled ceilings and evictions" for over half-a-million properties. ER-47.¶36. Once World War II ended, however, so too did the justification for rent control. As a result, "market"-based policies returned by 1950, and "decontrolled rents" existed in Los Angeles for nearly 20 years thereafter. ER-47.¶37.

The tide turned again in the 1970s. In 1971, President Nixon issued an executive order temporarily freezing rents and other prices nationwide in an attempt to "stabilize the economy [and] reduce inflation." Exec. Order No. 11,615, 36 Fed. Reg. 15,727 (Aug. 17, 1971). But that program, which ended in 1973, "failed spectacularly and ushered in nearly a decade of so-called stagflation—high inflation coupled with slow growth, which reduced living standards for millions of Americans." ER-47-48.¶38.

Those rapid price increases did not leave the Los Angeles area unscathed. In the second half of the 1970s, "the overall rate of increase in home prices for all of Los Angeles County, adjusted for inflation, was 69%," leading to exorbitant property-tax assessments, which in turn forced landlords to increase rents to keep current on their bills. ER-48.¶39. Eventually, California enacted a state constitutional amendment limiting property-tax increases. ER-48.¶39. But "tenant

concern that landlords were not passing on their savings" to tenants to a sufficiently high level prompted Los Angeles to revisit rent control. ER-48.¶39. To that end, in 1978, Los Angeles enacted an ordinance that "temporarily rolled back recently imposed rent increases and prohibited most rent increases on residential rental properties for six months." L.A. Mun. Code §151.01 (discussing L.A., Cal., Ordinance 151,415 (1978)).

2. Los Angeles's modern rent-control story began in earnest in 1979. That year, following "a long and contentious battle," the City "enacted a one-year-only Rent Stabilization Ordinance (RSO)"—which it subsequently renewed "annually" for several years before making it "permanent" in 1982. ER-49.¶41; *see* L.A. Mun. Code §151.00, *et seq.* The RSO has existed in Los Angeles ever since—for nearly 50 years—and it applies to most multi-family rental properties built on or before October 1, 1978. *See* L.A. Mun. Code §151.02. In other words, except in certain narrow circumstances—such as when a new building is constructed to replace an RSO-regulated building, *see id.* §151.28—the RSO leaves rental properties constructed after October 1, 1978, completely unregulated.

While much has changed in the City since 1978, its stock of multi-family rental properties has largely (though not entirely) remained the same. Today, the RSO still applies to "approximately 624,000 units in 118,000 properties," ER-49.¶43, which equates to "[a]pproximately 76 percent of the multi-family rental units

in the City of Los Angeles," L.A. Mun. Code §165.01. Because the majority of Angelenos (approximately 63%) live in renter-occupied housing, and because there are approximately four million people living within the City, *see* ER-50.¶44, the RSO's reach is sweeping.

From the outset, the RSO regulated all manner of details of the landlord-tenant relationship, such as by enumerating an exclusive list of the "only" permissible grounds for eviction. *See* L.A. Mun. Code §151.09(A) (1979). Although the RSO contained clear constitutional defects in 1979, the original version at least contemplated that landlords could increase rents in occupied units to some degree "annually," ER-50.¶46; *see* L.A. Mun. Code §151.06 (1979); evict tenants who refused to make their full monthly payments, *see* L.A. Mun. Code §151.09 (1979); and re-rent at a market rate any unit vacated by an evicted, non-paying tenant, *see* ER-50.¶46; L.A. Mun. Code §151.06(C)(i) (1979). That dynamic prevailed for several decades. *See* ER-50.¶46.

3. In recent years, however, the City has taken an increasingly anti-landlord and anti-property rights stance. After the onset of the COVID-19 pandemic, Los Angeles amended the RSO to impose a "prohibition on rent increases" of occupied RSO-regulated rental units, which extended from March 2020 "until one year following the termination of the local emergency." L.A. Mun. Code §151.32. Because the City did not declare an end to the COVID-19-induced local emergency

until February 1, 2023, the prohibition on rent increases extended until January 31, 2024—amounting to a nearly four-year period when such restrictions remained in force. *See* ER-51.¶47.

Making matters even more challenging for landlords, Los Angeles imposed a moratorium that prohibited landlords from evicting tenants who did not pay their rent for the duration of the same four-year period. *See* ER-51.¶48; L.A., Cal., Ordinances 186,585 & 186,606 (2020). Hence, even though Los Angeles compelled landlords to rent their units at artificially low rates to enable the City to achieve its public-policy objectives of "prevent[ing] … housing displacement" and "prevent[ing] housed individuals from falling into homelessness," ER-51.¶48, landlords had no ability to exercise their fundamental right to exclude during the pandemic when tenants refused to pay even those cut-rate rents. Thus, from the perspective of landlords, the City had effectively "declar[ed] war" on them, ER-52.¶49, even as the Supreme Court recognized that "many" in their line of work "have modest means," *Ala. Ass'n of Realtors*, 594 U.S. at 765.

The City could scarcely have selected a more inopportune time to wage this war. During the pandemic, inflation hit a 40-year-high and approached double digits in the Los Angeles area. *See* ER-52.¶50. All told, prices rose approximately 20% between 2020 and 2024. *See* ER-52.¶50. Unable to increase rents to keep pace with rising costs, and unable to exclude non-paying tenants in favor of new tenants willing

to pay market rates, Los Angeles-area landlords "were … forced to dip into savings and let tenants fall tens of thousands of dollars behind in rent, even selling nest eggs that were supposed to fund them through retirement." ER-52-53.¶50; *see also* ER-53.¶¶51-53 (describing impact of pandemic-era restrictions on Plaintiffs).

B. Legal Background

As the pandemic receded, the City could have—and should have—taken the prudent and constitutional course of making amends with landlords, acknowledging their sacrifices during the pandemic, and treating all landlords across the City equally. The City did no such thing. Instead, the City amended the RSO in certain relevant respects and doubled down on its anti-landlord position.[1]

1. To begin, in February 2023, the City enacted the FMR Eviction Restriction, which took effect in March 2023. *See* L.A., Cal., Ordinance 187,763 (2023). Although the RSO (from 1979 to 2020) had long allowed landlords to evict tenants for non-payment of rent, *see* ER-54-56.¶¶55-56, the FMR Eviction Restriction permanently overturned that policy. The FMR Eviction Restriction thus provides that landlords of RSO-regulated buildings may evict non-paying tenants

[1] In 2019, the California state legislature enacted a statewide rent-control law—AB 1482. Assem. Bill No. 1482, 2019-2020 Reg. Sess. (Cal. 2019). That law authorizes local jurisdictions to preserve or enact even more restrictive rent-control policies if they so desire. *See* Cal. Civ. Code §§1946.2(i), 1947.12(d)(3). The RSO and the policies challenged here are indeed more restrictive than those in AB 1482, so the City's stock of rental housing in existence on or before October 1, 1978, (and that stock alone) is subject to the RSO's far more restrictive regulations.

only "where the amount due exceeds one month of fair market rent for the Los Angeles metro area set annually by the U.S. Department of Housing and Urban Development for an equivalent sized rental unit as that occupied by the tenant." L.A. Mun. Code §151.09(A)(1).

To be clear, that "fair market rent" threshold is not the same as the below-market rent that Los Angeles allows property owners to charge. Instead, it is generally a higher amount than a tenant's actual monthly rate due to the rate-suppressing effects of rent control—indeed, in some cases, it is substantially higher. For the period between October 2023 and September 2024, for instance, HUD's "fair market rents" ranged from $1,777 for a studio to $3,600 for a four-bedroom unit. *See* ER-56.¶57. The upshot of the FMR Eviction Restriction is that—unless one of the limited number of reasons for eviction under the RSO applies (and a landlord's mere desire to rent to a different tenant is not a recognized reason, even if the fixed term in the lease for the current tenant has expired), *see* L.A. Mun. Code §151.09—tenants have government authorization to serially underpay their rent, and landlords are powerless to exclude them from their properties. *See* L.A. Mun. Code §151.06(C).

2. After enacting the FMR Eviction Restriction, the City in December 2023 enacted the 4% Rent-Increase Cap, which took effect in 2024. *See* L.A., Cal., Ordinance 188,071 (2024). The 4% Rent-Increase Cap capped rents in RSO-

regulated properties (*i.e.*, pre-October 1978 properties only) at breathtakingly low levels by barring rent increases of more than 4% between February 2024 and June 2024. *See* L.A. Mun. Code §151.34; ER-57.¶60. The City imposed this cap even though it had prohibited *any* rent increases for the four prior years and even though non-RSO-regulated properties governed by state law could increase rents at much higher rates—specifically, between 8.8% and 10% from 2022 to 2025. *See* ER-58-59.¶¶61-62. In fact, in enacting the 4% Rent-Increase Cap, the City not only disregarded market forces, but also disregarded the formula for establishing allowable rent increases that it had followed since the 1980s. *See* L.A. Mun. Code §§151.06(D), 151.07(A)(6); L.A., Cal., Ordinance 159,908 (1985); ER-58.¶61. Per the City's own calculations, that formula would have translated into a 7% increase in rent for the February 2024-June 2024 period. *See* ER-58.¶61 ("The annual allowable rent increase under the RSO from February 1, 2024 through June 30, 2024, will be 7% unless amended."). But the City instead substantively amended the RSO to ensure that landlords would feel added pain coming out of the pandemic.[2]

[2] The City later extended this 4% cap so that it applied from July 2024 through June 2025. *See* ER-59-60.¶64. Although the City did not dispute below that it deviated from normal procedures when announcing this extension, the intervenor-defendant in this case took the opposite position. *Compare* D.Ct.Dkt.19, *with* D.Ct.Dkt.47. This Court need not address the issue, however, as Plaintiffs' arguments vis-à-vis the 4% cap focus on the February 2024-June 2024 period.

The City is strict about its rent caps too. Although the RSO provides that a "Rent Adjustment Commission" may "grant increases in the rent" under exceedingly narrow circumstances when landlords make such requests, the RSO is explicit that "a rent adjustment will not be permitted" "[i]f the only justification offered for the requested rent increase on the landlord's application is an assertion that the maximum rents or maximum adjusted rents permitted … do not allow the landlord a return sufficient to pay both the operating expenses and debt service on the rental unit or units or on the housing complex containing the rental unit or units." L.A. Mun. Code §151.07(B). Furthermore, even for those lucky few who manage to offer a justification to the Rent Adjustment Commission's satisfaction, the City has made its position clear that its rent-adjustment program is "*not* a mechanism to bring the rents to market rate." ER-60-61.¶¶65-66 (emphasis added).

3. The City has expressed its intent to vigorously enforce the restrictions in the RSO. During the pandemic, the City amended the RSO to state that "[a]ny person violating any of the provisions, or failing to comply with any of the requirements, of [the RSO] shall be guilty of a misdemeanor." L.A. Mun. Code §151.10(B); *see* L.A., Cal., Ordinance 187,109 (2021). Each misdemeanor, the RSO continues, is punishable by a fine of up to $1,000 or by a prison term of up six months—"or both." L.A. Mun. Code §151.10(B). The RSO also states that "each day during which [a] violation is committed, or continues, shall constitute a separate

offense," *id.*, and it further authorizes a tenant to obtain treble damages from a landlord who violates the 4% Rent-Increase Cap in particular, *see id.* §151.10(A).

4. Given the difficulties of making ends meet as a landlord in Los Angeles these days—and the severe punishments that the City threatens to impose on those who try—many Los Angeles landlords have contemplated leaving the rental business altogether. *See* ER-62.¶69. But the City does not make exit easy either. For example, if landlords wish to regain the use of rental units for personal or business reasons—*e.g.*, if landlords merely wish to recover units for family use because tenants are abusing the FMR Eviction Restriction and not paying their full rent even though they have sufficient funds to do so—they must satisfy the Relocation-Fee Requirement, which (at the time Plaintiffs filed this action) required them to pay between $9,900 and $25,700 in "relocation assistance" to the affected tenants. *See* L.A. Mun. Code §§151.09(A)(8), (G), 151.30(E). That range has only increased over the last year. Such exorbitant sums are often unrealistic even for the most successful landlords, let alone for landlords of limited means—especially those who have suffered heavy losses because of the City's anti-landlord policies in recent years. *See* ER-62-63.¶70. Furthermore, if any tenants have "protected" status (*i.e.*, they have lived in their units for at least 10 years and are either at least 62 or disabled), the hurdles facing the landlord are even higher: She must remove *all* units from the rental market (even those in which protected tenants do not live), pay *all*

tenants relocation fees, and then wait a *year* to reclaim the property. *See id.* §151.09(A)(10), (G), 151.23(B), 151.30(D).

In short, once a tenant gets a foot in the door of an RSO-regulated rental unit, it is exceptionally difficult for a landlord to remove him, even if the fixed term of the lease has ended. Accordingly, unless owners sell their properties to third parties (who will find themselves subject to the same restrictions, thus depressing the sales price), they have no choice but to live with the consequences of the FMR Eviction Restriction, 4% Rent-Increase Cap, and Relocation-Fee Requirement.

5. Those consequences include an obligation to inform tenants of those three policies under the Renter Protections Notice Requirement, which requires RSO-regulated landlords to "post[] … in an accessible common area of the property" a City-drafted notice highlighting the FMR Eviction Restriction, 4% Rent-Increase Cap, and Relocation-Fee Requirement. *See* ER-64.¶73; L.A. Mun. Code §151.05(I). Hence, the City is not content to erect a scheme that erodes fundamental property rights; it conscripts landlords to act as accomplices in the effort, forcing them to convey controversial, property-rights-destroying messages to their tenants.

C. Factual and Procedural Background

1. Plaintiffs are two women who have long served as landlords in the City. Plaintiff Melvia Harris is a 64-year-old teacher who purchased two RSO-regulated rental properties in the 1990s in the Jefferson Park and Mid-City neighborhoods near

where she grew up. *See* ER-65.¶75. Plaintiff Roberta Knighten is the 69-year-old trustee of a family trust who has overseen two RSO-regulated properties located near Compton that her grandfather originally purchased in the 1930s. *See* ER-67.¶76.

Plaintiffs have long sought to use these properties to benefit their families, but the City's onerous restrictions have severely impeded those efforts. For example, both Plaintiffs have tenants who refused to pay their full rent following the enactment of the FMR Eviction Restriction, even though those tenants enjoyed City-regulated rents that often fell $1,000 or more below the HUD-defined "fair market rent." *See* ER-65-67.¶¶75-76. But Plaintiffs could not evict those tenants because they studiously kept their arrearages below that threshold. *See* ER-65-67.¶¶75-76. Both Plaintiffs also wanted to increase rents to market rates in the post-pandemic period, but the 4% Rent-Increase Cap—which would not apply if only they owned properties built after 1978—prohibited them from doing so. *See* ER-65-68.¶¶75-76. Due to these restrictions, in late 2024, each Plaintiff sold one of their properties. *See* ER-66-68.¶¶75-76.

Plaintiff Harris has faced additional problems. She has recently wanted to reclaim two units in her remaining property for family use, but she cannot do so unless she pays each of the "protected" tenants living in her units $25,700 under the Relocation-Fee Requirement—and then waits a year to remove the property from

the market. *See* ER-66.¶75. But Plaintiff Harris cannot afford those payments, as she is living paycheck-to-paycheck. *See* ER-66.¶75, ER-93.¶135.

2. As a result of the City's draconian restrictions, Plaintiffs sued to vindicate their constitutional rights in December 2024. *See* ER-30. They alleged that the FMR Eviction Restriction (Count I), the 4% Rent-Increase Cap (Count II), and the Relocation-Fee Requirement (Count IV) violate the Takings Clause, entitling them to an award of just compensation. *See* ER-68-85.¶¶77-118, ER-91-95.¶¶130-41. They also alleged that the 4% Rent-Increase Cap's discriminatory treatment of pre- and post-October 1978 rental properties violates the Equal Protection Clause (Count III). *See* ER-85-91.¶¶119-29. And they alleged that the Renter Protections Notice Requirement violates the First Amendment by unlawfully compelling their speech (Count V). ER-96-99.¶¶142-50.

The City moved to dismiss the complaint in February 2025. The next month, with motion-to-dismiss briefing underway, a third-party group—Strategic Actions for a Just Economy (SAJE)—moved to intervene as a defendant. *See* ER-8. After the district court accommodated that belated request, SAJE later filed its own motion to dismiss. *See* ER-8. On July 31, 2025, without holding oral argument (indeed, canceling the parties' stipulated-to hearing date late on the last business day before, *see* ER-110-11 (D.Ct.Dkts.46, 48, 53)), the district court granted the motions and dismissed Plaintiffs' complaint in full. ER-7.

The district court first concluded that the FMR Eviction Restriction did not effect a taking of any kind. The court seized on the Supreme Court's decision in *Yee v. City of Escondido*, 503 U.S. 519 (1992), as well as a nonprecedential, unpublished decision from this Court applying *Yee, see GHP Mgmt. Corp. v. City of Los Angeles*, 2024 WL 2795190 (9th Cir. May 31, 2024), to conclude that "[r]ent control ordinances can … permissibly adjust the landlord-tenant relationship," including the "term of eviction," without producing a *per se* taking. ER-13-14. "Plaintiffs have decided to participate in a regulated market," the court reasoned, "and the FMR eviction restriction permissibly regulates their relationship with their tenants until they … leave that market." ER-14. It then suggested that Plaintiffs' regulatory-takings challenge to that restriction was defective for failing to "to speak to the diminution in property value, not a simple loss of income," and, in all events, likely unripe—an argument the City never raised—because Plaintiffs had not engaged in the futile exercise of asking the Rent Adjustment Commission to allow them to charge market rates. ER-15.

The district court next dismissed Plaintiffs' challenge to the 4% Rent-Increase Cap. The court again found Plaintiffs' regulatory-taking claim unripe on the same theory—*i.e.*, that Plaintiffs should have made a dead-on-arrival request for rent adjustment. *See* ER-17. And while the court initially suggested that the applicable two-year statute of limitations may bar Plaintiffs' *per se* taking and equal-protection

challenges to the 4% Rent-Increase Cap—even though Plaintiffs filed suit within one year of the enactment of that cap—the court ultimately proceeded to the merits on those claims. *See* ER-16-17. The court nevertheless found Plaintiffs' *per se* taking claim "foreclosed" by the Supreme Court's decision in *FCC v. Florida Power Corp.*, 480 U.S. 245 (1987). ER-18. As to the equal-protection claim, the court held that the 4% Rent-Increase Cap triggered and survived rational-basis review because it purportedly promoted new housing development by leaving new construction unencumbered by that cap and because state law prohibits the City from imposing "price controls" on non-RSO properties. ER-18-19.

Turning to the Relocation-Fee Requirement, after initially suggesting that Plaintiff Harris' taking claims are untimely even though the requirement is currently deterring her from reclaiming her own property, the district court dismissed the claims on the merits. *See* ER-19. The court rejected the *per se* taking claim based on this Court's decision in *Ballinger v. City of Oakland*, 24 F.4th 1278 (9th Cir. 2022), which did not involve an alleged taking of the right to exclude. *See* ER-20. The court also found no regulatory taking on the theory that allegations about lost rental income are never sufficient to support such a claim under *Penn Central*. *See* ER-20.

Finally, the district court rejected Plaintiffs' First Amendment challenge to the Renter Protections Notice Requirement. Invoking the Supreme Court's decision in

Rumsfeld v. FAIR, Inc., 547 U.S. 47 (2006), the court determined that this requirement does not "require[]" Plaintiffs "'to say anything' at all," even as it acknowledged that the requirement "mandates landlords to display a city-drafted notice" in their buildings that "'walks through the FMR Eviction Restriction, 4% Rent-Increase Cap, and Relocation-Fee Requirement." ER-21-22.

SUMMARY OF ARGUMENT

The challenged provisions are a triple threat to the Constitution, which protects property owners and prohibits discrimination and compelled speech. The provisions violate the Takings Clause, the Equal Protection Clause, and the First Amendment. The district court's decision below is flawed from top to bottom and cannot stand.

I. The FMR Eviction Restriction violates the Takings Clause. As the Supreme Court explained in *Cedar Point*, the government effects a *per se* taking when it appropriates or otherwise intrudes on a property owner's right to exclude. And as the Supreme Court subsequently observed in *Alabama Ass'n of Realtors*, the government intrudes on the right to exclude when it prohibits a property owner from evicting non-paying tenants. That is precisely what the FMR Eviction Restriction does: It prohibits landlords like Plaintiffs from excluding tenants who serially underpay on rent, even if the fixed terms of their leases have lapsed. The district court arrived at the contrary conclusion based on the Supreme Court's pre-*Cedar*

Point decision in *Yee v. City of Escondido* and an unpublished decision from this Court applying it. But *Yee* is plainly distinguishable, as the Eighth and Federal Circuits have recognized in precedential decisions.

The FMR Eviction Restriction likewise amounts to a regulatory taking under the three-factor balancing test in *Penn Central*. The economic impact caused by the restriction is severe enough to have forced Plaintiffs to sell two properties; the restriction interferes with their investment-backed expectations; and the restriction is properly categorized as a government-mandated physical intrusion on property. The district court denied the existence of a regulatory taking by ignoring most of *Penn Central*'s factors and suggesting that Plaintiffs had to allege a specific diminution in value to prevail on the first prong of the *Penn Central* test. But *Penn Central* is not a mathematical formula—it is a balancing test. And it does not require Plaintiffs to plead a diminution of property value with particularity at the pleading stage: The depressive effect on Plaintiffs' property is obvious and indisputable, and a property owner need not hire an expert to allege a taking.

II. The 4% Rent-Increase Cap violates both the Takings Clause and the Equal Protection Clause. That cap prevents Plaintiffs from excluding tenants who pay artificially low rates and then re-renting their units to other tenants willing and able to pay market rates. That too is an appropriation of the right to exclude and a *per se* taking. Nothing in the Supreme Court's decision in *FCC v. Florida Power*

Corp. suggests otherwise. Nor is Plaintiffs' claim time-barred: The City enacted the cap in 2023, and Plaintiffs filed suit the next year. That is well within the two-year limitations period that governs §1983 claims like this one.

The 4% Rent-Increase Cap also amounts to a regulatory taking. The economic impact of the cap is sizable, as it required Plaintiffs to continue renting at breathtakingly low levels after the City denied any rent increases during a four-year hyperinflationary period. The City also interfered with reasonable investment-backed expectations as the City declined to use the rent-increase formula that it had utilized for decades and will not impose this cap on new rental housing for fear of deterring investment. And the cap is again appropriately characterized as imposing an unwanted, government-approved physical intrusion on Plaintiffs' properties. The district court barely grappled with that analysis and instead posited that Plaintiffs' claim is unripe, ostensibly because Plaintiffs should have first pursued relief before the City's Rent Adjustment Commission. But Plaintiffs would have requested market rates in any such administrative proceeding, and the City has already conclusively determined that market rates are verboten. Plaintiffs' claim is indisputably ripe.

The equal-protection violation wrought by the 4% Rent-Increase Cap is indisputable too. Because the City has discriminated against pre-October 1978 properties on the basis of the right to exclude—a right protected by the

Constitution—it triggers heightened scrutiny. The City has not suggested that it can satisfy that test, and the district court did not either. Instead, the court applied rational-basis review before suggesting that Plaintiffs' claim is untimely. But a reverse-grandfather clause like the 4% Rent-Increase Cap is the very opposite of rational, and filing suit in year one of a two-year limitations period is the very opposite of untimely.

III. The Relocation-Fee Requirement also runs afoul of the Takings Clause. Forcing Plaintiff Harris to pay eye-watering fees just to reclaim her own property from tenants whose lease terms have ended plainly impinges on the right to exclude, again producing a *per se* taking. The district court resisted that conclusion based on this Court's decision in *Ballinger v. City of Oakland*. But *Ballinger* does not even mention the right to exclude.

Plaintiffs' regulatory-taking claim is more than plausible too. Paying tens of thousands of dollars to repossess one's own property unquestionably produces a severe economic impact. No one reasonably expects that the government will demand ransom payments to exercise basic property rights like the right to exclude. And precisely because the right to exclude is impinged here, the Relocation-Fee Requirement is again best characterized as effecting a physical taking. The district court resisted that conclusion only by applying the same incorrect interpretation of *Penn Central* that it applied to Plaintiffs' other claims.

Nor is there any force to the district court's theory that both takings challenges to the Relocation-Fee Requirement are barred by the two-year statute of limitations because the City originally enacted the requirement in 2017. That requirement is inflicting a continuing constitutional violation and continuing harm on Plaintiff Harris, who has a *current* desire to repossess her property for family use, but cannot do so—in no small part because of the post-2017 FMR Eviction Restriction and 4% Rent-Increase Cap. Nothing precludes her from challenging this provision now.

IV. The Renter Protections Notice Requirement violates the First Amendment. That requirement is a government mandate that landlords engage in government-scripted speech. Content-based laws like that trigger strict scrutiny, and the City has not argued that it can satisfy that demanding test. The district court sought to avoid applying strict scrutiny on the theory that the Renter Protections Notice Requirement does not require Plaintiffs to say anything. That theory blinks reality—the Renter Protections Notice Requirement self-evidently requires Plaintiffs to trumpet property-rights-destroying policies to which they object.

STANDARD OF REVIEW

This Court reviews "de novo a district court's order granting a motion to dismiss for failure to state a claim" under Federal Rule of Civil Procedure 12(b)(6), *Whitaker v. Tesla Motors, Inc.*, 985 F.3d 1173, 1175 (9th Cir. 2021), as well as "for

lack of subject matter jurisdiction" under Rule 12(b)(1), *M.S. v. Brown*, 902 F.3d 1076, 1082 (9th Cir. 2018).

ARGUMENT

I. The FMR Eviction Restriction Violates The Takings Clause.

The Takings Clause provides that "private property [shall not] be taken for public use, without just compensation." U.S. Const. amend. V. "By requiring the government to pay for what it takes, the Takings Clause saves individual property owners from bearing 'public burdens which, in all fairness and justice, should be borne by the public as a whole.'" *Sheetz v. Cnty. of El Dorado*, 601 U.S. 267, 273-74 (2024) (quoting *Armstrong v. United States*, 364 U.S. 40, 49 (1960)). Government action that triggers the Takings Clause is divided into two categories: "*per se* takings" and "regulatory takings." *See Cedar Point*, 594 U.S. at 146-49. The FMR Eviction Restriction—which prohibits evictions for months on end and forces landlords like Plaintiffs to suffer the continued physical presence of unwanted third parties—is a taking of private property rights under either framework. The district court plainly erred in concluding otherwise.

A. The FMR Eviction Restriction Effects a *Per Se* Taking.

A property owner's ability to decide to whom she wants to grant access and whom she wants to exclude is "the '*sine qua non*' of property." *Cedar Point*, 594 U.S. at 149-50. Accordingly, as the Supreme Court recently reaffirmed, the government effects a *per se* taking that automatically "trigger[s]" the "right to

compensation" when it "appropriat[es] property or otherwise interfere[s] with the owner's right to exclude others from it." *Sheetz*, 601 U.S. at 274. One way in which the government impermissibly "intrudes" on "the right to exclude" is by "preventing [landlords] from evicting tenants" who fail to pay rent. *Ala. Ass'n of Realtors*, 594 U.S. at 765. Indeed, because eviction is the procedural mechanism by which property owners exercise their right to exclude vis-à-vis non-paying tenants, when the government "remov[es] their ability to evict," it "forc[es]" property owners "to house non-rent-paying tenants." *Darby Dev. Co. v. United States*, 112 F.4th 1017, 1035 (Fed. Cir. 2024). Consistent with that understanding, both the Eighth Circuit and the Federal Circuit have held in precedential decisions that plaintiffs challenging eviction restrictions that interfere with the right to exclude have stated plausible *per se* takings claims. *See id.*; *accord Heights Apartments, LLC v. Walz*, 30 F.4th 720, 733 (8th Cir. 2022).

There is no basis in law or logic for a different result when it comes to the FMR Eviction Restriction here. Under that restriction, the City prohibits landlords from evicting tenants who have refused to pay rent unless the overdue amount measures in the thousands of dollars and surpasses the "fair market rate" established by HUD. *See* L.A. Mun. Code §151.09(A)(1). In other words, even if a tenant is in breach of his payment obligations, the government nevertheless provides the tenant a license to remain on the property over the landlord's objection. The FMR Eviction

Restriction thus is plainly a government mandate that forces landlords to bear the physical presence of unwanted third parties on their properties. That is a clear *per se* taking under *Cedar Point* and its progeny, which reiterate that "government-authorized physical invasions" of property are "takings requiring just compensation." *Cedar Point*, 594 U.S. at 150; *accord Cienega Gardens v. United States*, 331 F.3d 1319, 1338 (Fed. Cir. 2003) (holding that regulation preventing owners from prepaying mortgages obtained under federal housing programs, which compelled them to rent only to those participating in low-rent housing programs to whom owners would not otherwise continue to lease, violated the Takings Clause).

If anything, the taking here is even more obvious than the one recognized in *Cedar Point*. There, the state authorized third parties (union organizers) to enter agricultural property for only three hours a day for at most 120 days a year. *See Cedar Point*, 594 U.S. at 152. By contrast, the FMR Eviction Restriction here deprives a landlord of her right to exclude by enabling a defaulting tenant to maintain a *permanent* presence in the unit for as long as the HUD-defined "fair market rent" threshold is not breached (*i.e.*, potentially *indefinitely*). Plaintiffs here have experienced that phenomenon firsthand: They each have tenants who are in breach of their payment obligations but who have nonetheless carefully kept their arrearages under the required threshold to evade triggering the eviction process, thus allowing them to remain in their units without interruption. *See* ER-65-67.¶¶75-76. That

dynamic is made possible only by the City's mandate that Plaintiffs continue leasing to those tenants for the foreseeable future, despite the nonpayment. As the Federal Circuit correctly explained in *Darby Development*, there is simply no way to "reconcile how forcing property owners to occasionally let union organizers on their property infringes their right to exclude, while forcing them to house non-rent-paying tenants (by removing their ability to evict) would not." 112 F.4th at 1035.

The district court arrived at the contrary conclusion only because it refused to grapple with these decisions and the constitutional principles that they reflect. That is no exaggeration: The court flippantly "decline[d] to consider" the Supreme Court's decision in *Alabama Ass'n of Realtors*, the Federal Circuit's decision in *Darby Development*, or the Eighth Circuit's decision in *Heights Apartments*. ER-14.n.6. According to the court, *Alabama Ass'n of Realtors*—which addressed the CDC's statutory authority to impose a nationwide eviction moratorium—is categorically irrelevant because it did not explicitly implicate a takings claim. *See* ER-14.n.6. But there is no denying that the Supreme Court explicitly affirmed in *Alabama Ass'n of Realtors* that "preventing [landlords] from evicting tenants who breach their leases intrudes on one of the most fundamental elements of property ownership—the right to exclude"—and that it did so while invoking its own *per se* takings precedent. 594 U.S. at 765 (citing *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 435 (1982)). That explains why the Federal Circuit held that

Alabama Ass'n of Realtors "bolstered" its conclusion that the CDC had indeed effected a *per se* taking. *Darby Dev.*, 112 F.4th at 1036. Moreover, as both the Federal and Eighth Circuits also recognized, the Supreme Court's decision in *Cedar Point*, undeniably a takings case, "controls" when the government prohibits landlords from evicting tenants. *See Heights Apartments*, 30 F.4th at 733; *Darby Dev.*, 112 F.4th at 1033-35.

The district court concluded that the FMR Eviction Restriction did not effect a *per se* taking by instead invoking the Supreme Court's pre-*Cedar Point* and pre-*Alabama Ass'n of Realtors* decision in *Yee v. City of Escondido*, 503 U.S. 519, and this Court's unpublished decision in *GHP Management Corporation v. City of Los Angeles*, 2024 WL 2795190, which applied *Yee*. But *Yee* is readily "distinguishable." *Darby Dev.*, 112 F.4th at 1034; *accord Heights Apartments*, 30 F.4th at 733. In *Yee*, the Supreme Court rejected a physical-takings argument "predicated on the unusual economic relationship between [mobile-home] park owners and mobile home owners." 503 U.S. at 526. In doing so, the Court highlighted several features of the legal regime at issue that allowed it to conclude that it did not effect a *per se* taking: (1) it did not prohibit evictions for "nonpayment of rent"; (2) it did not "compel[]" the park owners, "once they have rented their property to tenants, to continue doing so"; and (3) on its face, it did not "compel a landowner over objection to rent his property or to refrain in perpetuity from terminating a tenancy." *Id.* at 524, 527-28.

None of that is true here: The FMR Eviction Restriction *does* prohibit eviction for nonpayment of rent; it *does* compel property owners to continue to rent to tenants even in circumstances where the renters are not paying; and it *does* compel property owners to rent their property over their objection. ER-54-57.¶¶55-58, ER-65-68.¶¶75-76. In other words, this case involves precisely the forced tenancy that is constitutionally suspect even under *Yee*.

The district court also posited that a *per se* takings argument is foreclosed here because Plaintiffs had "voluntarily rented their land" initially. ER-13. That theory is equally unavailing. Indeed, "just because tenants … were at one point 'invited' does not mean that their continued, government-compelled occupation cannot … be treated as a physical taking." *Darby Dev.*, 112 F.4th at 1036. The Supreme Court's own precedent reflects that common-sense point. In *Yee* itself, for instance, the property owners, of course, invited the tenants at the outset, but the Court nonetheless indicated that "compel[ling] a landowner over objection to rent his property" would pose taking problems. 503 U.S. at 528. Furthermore, in *Loretto*, the Supreme Court had no trouble concluding that the property owner's desire (but inability) to exclude cable facilities from her property under state law meant that the state had effected a *per se* taking—even though a prior owner had granted the utility company "permission to install a cable on the building." 458 U.S. at 421. Those pronouncements should come as no surprise. Any other approach would ignore the

bedrock property-law principle that a party commits a trespass if, after "entering [a property] pursuant to a limited consent," he "proceeds to exceed those limits." *Donahue Schriber Realty Grp. v. Nu Creation Outreach*, 181 Cal.Rptr.3d 577, 582 (Cal. Ct. App. 2014). In short, for takings purposes, it is the *government* authorization for tenants to physically occupy the property *over the owner's objection* that is relevant—not whether the owner originally allowed the tenant to enter subject to conditions (like timely paying rent) that have been breached. *See Cwynar v. City & Cnty. of San Francisco*, 109 Cal.Rptr.2d 233, 249 (Cal. Ct. App. 2001); *contra GHP Mgmt.*, 2024 WL 2795190, at *1.

The district court compounded its errors when it launched into a discussion of the relative economic burdens of the pandemic-era eviction moratorium in *GHP Management* and the FMR Eviction Restriction at issue here, while also suggesting that a *per se* taking could not have occurred because Plaintiffs could simply "leave the rental market" to avoid Los Angeles' appropriation of their right to exclude. ER-14-15 & n.5. Neither proposition is correct. In reality, a law's overall economic impact plays no role in the *per se* analysis. As the Supreme Court has made clear, even when the denial of the right to exclude "has only minimal economic impact," the government action works a *per se* taking just the same. *Cedar Point*, 594 U.S. at 151. And the Supreme Court has expressly and consistently rejected the proposition that a takings claim is unavailable to any party who voluntarily submits

to a regulated market. *See, e.g.*, *Horne v. Dep't of Agric.*, 576 U.S. 350, 365 (2015) ("The Government contends that the reserve requirement is not a taking because raisin growers voluntarily choose to participate in the raisin market. … [T]he Government is wrong as a matter of law."). Merely "because a landlord could avoid the requirement by ceasing to be a landlord" does not mean that the government has not effected a taking of her property: "[A] landlord's ability to rent h[er] property may not be conditioned on h[er] forfeiting the right to compensation for a physical occupation." *Id.* (quoting *Loretto*, 458 U.S. at 439 n.17).

As all of this underscores, the FMR Eviction Restriction works a *per se* taking of the right to exclude.

B. The FMR Eviction Restriction Effects a Regulatory Taking.

The taking effected by the FMR Eviction is also clear under the *Penn Central* rubric. *Penn Central* involves an *ad hoc* consideration of the restriction's economic impact, its interference with investment-backed expectations, and the character of the government action. *See Cedar Point*, 594 U.S. at 148. Those considerations confirm that the FMR Eviction Restriction at least accomplishes the "functional[] equivalent" of a *per se* taking here. *Rancho de Calistoga v. City of Calistoga*, 800 F.3d 1083, 1090 (9th Cir. 2015).

The economic burden of the FMR Eviction Restriction is palpable. As Plaintiffs alleged, their tenants have leveraged the FMR Eviction Restriction to

serially underpay on rent. *See* ER-65-68.¶¶75-76. As the Eighth Circuit has concluded in comparable circumstances, that direct loss of rental income suffices to satisfy the first prong of the *Penn Central* analysis. *See Heights Apartments*, 30 F.4th at 734. But the economic impact is amplified here, as the losses proved severe enough to have prompted Plaintiffs to cease renting financially nonviable units altogether. *See* ER-65-68.¶¶75-76. Other courts have likewise agreed that such allegations weigh in favor of a regulatory taking. *See, e.g.*, *Blakelick Props., LLC v. Vill. of Glen Ellyn*, 2025 WL 1348569, at *3 (N.D. Ill. May 8, 2025) (noting that the economic impact factor weighed in favor of regulatory taking because the plaintiff alleged that, if the challenged law took effect, "it would be economically infeasible to profitably operate and maintain the Property").

The FMR Eviction Restriction also interferes with "distinct investment-backed expectations." *Guggenheim v. City of Goleta*, 638 F.3d 1111, 1120 (9th Cir. 2010). Before the FMR Eviction Restriction, the City had never before taken the extreme step of denying landlords the right to evict non-paying tenants (save for the temporary pandemic-era regulations). *See* ER-78.¶100. In fact, even as the City heavily regulated the landlord-tenant relationship via the RSO, it had always made clear that landlords could evict tenants for failure to pay their rent on time. *See* pp.11, 13, *supra*. That approach accords with longstanding historical practice, as landlords "traditional[ly]" have held a "right to evict" for non-payment of rent, *Fresh*

Pond Shopping Ctr. v. Callahan, 464 U.S. 875, 876 (1983) (Rehnquist, J., dissenting); *see Del Toro v. Juncos Cent. Co.*, 276 F. 894, 895 (1st Cir. 1921)—even under a good-cause eviction regime, *see* Kenneth Salzberg & Audrey A. Zibelman, *Good Cause Eviction*, 21 Willamette L. Rev. 61, 62, 71 (1985). Plaintiffs thus had no reason to anticipate that the City would appropriate this basic property right. *See Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1011-12 (1984); *Heights Apartments*, 30 F.4th at 734.

The final *Penn Central* prong—the character-of-government action prong—only underscores the regulatory taking. As the Supreme Court explained in *Penn Central*, this prong weighs in favor of a taking "when the interference with property can be characterized as a physical invasion by government." 438 U.S. at 124. As explained above, *see* Section I.A, *supra*, that is the appropriate characterization here: When someone sits on your property despite not paying rent because the government grants him a right to do so, it is impossible to conceive of that dynamic as anything other than "a physical invasion by the government." All three *Penn Central* factors thus confirm that the FMR Eviction Restriction amounts to the "functional[] equivalent" of a *per se* taking.[3] *Rancho*, 800 F.3d at 1090.

[3] As Plaintiffs argued below, if the FMR Eviction Restriction somehow survives under *Penn Central*, the Supreme Court would have no choice but to revisit the test, which is not grounded in the Takings Clause as originally understood. *See* ER-79-80.¶102.

The district court's contrary conclusion is mystifying. On the first prong—the economic-impact prong—it expressly recognized that Plaintiffs alleged that the economic losses wrought by the FMR Eviction restriction "led to their 'decisions … to sell some of their RSO-regulated properties.'" ER-15. But the court claimed that those allegations did not provide "enough information" to assess the magnitude of the economic impact on Plaintiffs, relying on the theory that they "must speak to the diminution in property value." ER-15. On that basis alone, the court refused to even "address the remaining factors" of the *Penn Central* test. ER-15.

That analysis is fundamentally misguided. Most obviously, the court lost sight of the fact that "*Penn Central* 'identif[ies] several factors, not a set formula,'" for assessing whether a regulatory taking occurs. *Rancho*, 800 F.3d at 1090. Furthermore, regardless of the evidentiary showing that this Court *ultimately* requires on the economic-impact prong at the end of litigation, *see* ER-14-15 (quoting *Colony Cove Props., LLC v. City of Carson*, 888 F.3d 445, 451-52 (9th Cir. 2018)), allegations reflecting that Plaintiffs could not financially justify keeping the property as a result of the economic losses wrought by the FMR Eviction Restriction are more than sufficient at this early stage, *see, e.g.*, *Blakelick*, 2025 WL 1348569, at *3; *cf. Dist. Intown Props. Ltd. P'shp v. District of Columbia*, 198 F.3d 874, 883 (D.C. Cir. 1999) (suggesting that evidence that the challenged "regulation rendered [the property] unprofitable to maintain" would support finding a regulatory taking

under the first *Penn Central* factor). A takings plaintiff should not (and does not) have to hire an expert at the pleadings stage.

The district court alternatively suggested that Plaintiffs' regulatory-taking claim is unripe. *See* ER-15. That theory did not occur to the City below, and for good reason—Plaintiffs' claim is obviously ripe. Ripeness ensures that courts do not "entangl[e] themselves in abstract disagreements." *Clark v. City of Seattle*, 899 F.3d 802, 808-09 (9th Cir. 2018). But so long as "the government is committed to a position," any "potential ambiguities" that raise ripeness concerns necessarily "evaporate." *Pakdel v. City & Cnty. of San Francisco*, 594 U.S. 474, 479 (2021). Here, there are no "ambiguities," *id.*, about how the FMR Eviction Restriction operates: It definitively allows a non-paying tenant to physically remain on the property unless and until the arrearages hit the HUD-defined "fair market rate" threshold, at which time landlords like Plaintiffs may finally exercise their right to exclude through the eviction process.

The district court posited that it lacked the "information to decide" if it can resolve the regulatory-takings claim "without reference to the rent Plaintiffs[] currently charge." ER-15. But the court's own reasoning confirms why the "rent Plaintiffs[] currently charge" is irrelevant: The FMR Eviction Restriction "does not turn on the rent Plaintiffs actually charge" at all; it instead allows tenants to underpay by reference to the "Fair Market Rent as set by the Department of Housing and Urban

Development." ER-15. It thus makes no difference whether Plaintiffs "exhausted their administrative remedies" by asking the Rent Adjustment Commission if they could charge market rates—tenants could still underpay by the same exact amount, even if the City reversed its position and allowed market rates. ER-15.

In short, nothing in the decision below disturbs the conclusion that the FMR Eviction Restriction works a taking under both recognized approaches.

II. The 4% Rent-Increase Cap Is Doubly Unconstitutional.

Plaintiffs also demonstrated that the 4% Rent-Increase Cap violates not only the Takings Clause, but also the Equal Protection Clause. The district court's contrary reasoning on this front is no more persuasive.

A. The 4% Rent-Increase Cap Violates the Takings Clause.

1. The 4% Rent-Increase Cap effected a *per se* taking.

The 4% Rent-Increase Cap effected a *per se* taking for many of the same reasons that the FMR Eviction Restriction did. As noted, under the Takings Clause, the right to compensation is automatically triggered if the government "'physically appropriat[es]' property or otherwise interfere[s] with the owner's right to exclude others from it." *Sheetz*, 601 U.S. at 274 (quoting *Cedar Point*, 594 U.S. at 149-52). That admonition applies with full force to rent-control policies. Indeed, the "application of [*Cedar Point*] to rent regulations is straightforward: By enacting laws that limit landlords' ability to control whom they rent their property to [and] how much they rent their property for, … the government appropriates from the

landlords their right to exclude for the enjoyment of the occupying tenants, who may remain in situ despite the landlord's desire to rent … at market rate." Abigail K. Flanigan, Note, *Rent Regulations After* Cedar Point, 123 Colum. L. Rev. 475, 498 (2023); *see also* Sam Spiegelman, *Rent Controls and the Erosion of Takings-Clause Protections*, 51 Fordham Urb. L.J. 357, 359 (2023) ("Modern rent controls," including "statutes and regulations that control prices," are "ideal target[s]" for *Cedar Point*'s application.); Nikolas Bowie, *Antidemocracy*, 135 Harv. L. Rev. 160, 197 (2021) (noting that "rent-control policies … prohibit landlords from excluding people from their property," and *Cedar Point* "threatens" those policies).

That describes the 4% Rent-Increase Cap to a tee. As Plaintiffs have alleged, they wish to exclude their current tenants from their properties and instead rent those properties to tenants who are willing and able to pay market rates. *See* ER-65-68.¶¶75-76, ER-82.¶111. But because of the 4% Rent-Increase Cap, Plaintiffs' tenants had government authorization to physically remain on the property during the post-pandemic period at issue (and shortchange Plaintiffs in the process). Meanwhile, Plaintiffs had to continue renting to those tenants at rates that did not even remotely approach market rates—let alone rates that HUD has deemed a "fair market rent" for comparable units in Los Angeles. *See* ER-56.¶57, ER-65-68.¶¶75-76. "That sort of intrusion on property rights is a *per se* taking." *Sheetz*, 601 U.S. at 274; *cf. Horne*, 576 U.S. at 363 (rejecting the notion that the allowance for

property owners to receive some proceeds from their crop yield that the government seized meant that no taking occurred).

The district court declined to engage with this analysis because it found Plaintiffs' claim "foreclosed" by *FCC v. Florida Power Corp.*, 480 U.S. 245. ER-18. But *Florida Power*—a case addressing the Pole Attachments Act, which authorized the FCC to regulate rates that utility companies could charge cable-television systems for using utility poles for stringing television cable, 480 U.S. at 251-52—is irrelevant here. After all, under the regulatory regime at issue in *Florida Power*, the FCC did not "require[] utilities, over objection, to enter into, renew, or refrain from terminating pole attachment agreements." *Id.* at 251 n.6. The same is not true here. The 4% Rent-Increase Cap did force Plaintiffs to continue renting to incumbent tenants over their objection at rates that the City consciously set below market value. Indeed, if Plaintiffs refused to comply with the 4% Rent-Increase Cap, they would face the prospect of severe penalties at the instance of the government and tenants alike. *See* pp.16-17, *supra*. That is the factual context where *Florida Power*'s relevance ends and where *Cedar Point*'s on-point analysis begins. *See Darby Dev.*, 112 F.4th at 1035-36 & n.17; *cf. Yee*, 503 U.S. at 526 (noting that *Yee* did "not" address "ordinary rent control statutes").[4]

[4] The district court again highlighted that Plaintiffs originally entered into voluntary agreements to rent their properties. *See* ER-18. To reiterate, the Supreme Court has repeatedly rejected the proposition that an initial invitation forecloses all

2. The 4% Rent-Increase Cap effects a regulatory taking.

That the 4% Rent-Increase Cap effects a taking is equally clear through the prism of *Penn Central*. The 4% Rent-Increase Cap limited allowable increases in rent to amounts 50% or more below what HUD has identified as the "fair market rate" for comparable units in Los Angeles. *See* ER-83-84.¶115. And the City imposed that restriction in the immediate aftermath of a devastating four-year period when it allowed no rent increases at all and when inflation hit a 40-year high, soaring by 20%. *See* ER-65-68.¶¶75-76, ER-83-84.¶115. Moreover, it will not impose these same restrictions on post-1978 properties for fear of deterring new investment. If that is not a sufficiently severe "economic impact" under *Penn Central*, it is difficult to imagine what is. *Cedar Point*, 594 U.S. at 148.

The district court disagreed—in a footnote—on the ground that Plaintiffs had not alleged that the 4% Rent-Increase Cap inflicted a particular diminution in the value of their properties and then refused to engage with the remaining *Penn Central* factors. *See* ER-17.n.8. That approach to the economic-impact prong is deeply flawed, as already explained. *See* pp.38-39, *supra*. The two remaining factors confirm the presence of a regulatory taking. The 4% Rent-Increase Cap plainly interfered with Plaintiffs' investment-backed expectations, as the City deviated from

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subsequent takings claims. *See, e.g.*, *Cedar Point*, 594 U.S. at 162; *Horne*, 576 U.S. at 365-67.

the rent-cap formula that it had used for decades when it adopted the artificially low 4% cap. *See* ER-58.¶61, ER-84.¶116 (noting that the City's own calculation of the "rent-increase formula enshrined in the RSO since 1985 would [have] authorize[d] an increase of 7%" during the same period that Los Angeles mandated Plaintiffs cap their rent increases at 4%). Plaintiffs plainly had no reason to expect *that* kind of digression, as the City itself will not impose comparable restrictions on new rental housing for fear of deterring new investment. Furthermore, for all the reasons provided above, *see* Section II.A.1, *supra*, "the interference with property" here "can be characterized as a physical invasion by government," *Penn Cent.*, 438 U.S. at 124. The regulatory taking here is undeniable.

3. Plaintiffs' takings challenges to the 4% Rent-Increase Cap are both timely and ripe.

Although the district court addressed Plaintiffs' takings challenges to the 4% Rent-Increase Cap on the merits, it suggested that the *per se* takings claim is "time-barred" and that the regulatory-takings claims is "not ripe." ER-16-17. Each suggestion is unsound.

Plaintiffs brought their *per se* takings claim (and all of their other claims) under 42 U.S.C. §1983. *See* ER-80. "Section 1983 does not contain its own statute of limitations," *Butler v. Nat'l Cmty. Renaissance of Cal.*, 766 F.3d 1191, 1198 (9th Cir. 2014), so §1983 actions are subject to the forum state's statute of limitations for personal-injury suits, *see Wallace v. Kato*, 549 U.S. 384, 387 (2007). In the forum

here—California—that statute of limitations is two years, *see Action Apartment Ass'n v. Santa Monica Rent Control Bd.*, 509 F.3d 1020, 1026 (9th Cir. 2007), and starts running when the claim accrues under federal law—*i.e.*, when the government's actions caused the complained-of injury, *see Ellis v. Salt River Project Agric. Improv. & Power Dist.*, 24 F.4th 1262, 1271-72 (9th Cir 2022).

Here, the City imposed the injury-causing 4% Rent-Increase Cap via an ordinance first passed in December 2023. *See* L.A., Cal., Ordinance 188,071 (2024). That ordinance took effect in January 2024, and it restricted rent for the period between February 2024 and June 2024. *See id.* Plaintiffs filed their claim against the 4% Rent-Increase Cap only a few months later, in December 2024. *See* ER-30. Plaintiffs plainly filed their claim within the two-year limitations period.

The district court saw things differently because "the RSO went into effect in 1979," the 4% Rent-Increase Cap is purportedly "consistent with what would have been charged under the RSO," and "[t]he latest either plaintiff acquired a property subject to the RSO is 2009"—*i.e.*, the limitations period supposedly ran in 2011. ER-16-17. Once again, not even the City pressed this argument below, and little wonder. As Plaintiffs alleged (based on statements made by the City itself), the 4% cap imposed between February 2024 and June 2024 is flatly *inconsistent* with standard operating procedure under the RSO, which otherwise would have allowed Plaintiffs to increase rents at rates higher than 4%. *See* ER-58.¶61. That is precisely

why the City had to *amend* the RSO to impose the oppressive 4% Rent-Increase Cap. Accordingly, the notion that "Plaintiffs could have complained" of the 4% Rent-Increase Cap well over a decade before it even existed reflects a basic misunderstanding of what transpired here (perhaps, a product of canceling oral argument, where the facts could have been clarified). ER-17.

The district court's ripeness attack on the regulatory-takings claim does not move the dial either. The court (again) suggested that, before filing suit, Plaintiffs should have appeared before the Rent Adjustment Commission. *See* ER-17. But Plaintiffs had no reason to do so. Indeed, as the court below acknowledged, Plaintiffs are seeking "market rate[s]" for their rental units, and the City does "not permit Plaintiffs to raise their rent to market rates." ER-17. The City thus had already made a "conclusive determination" that Plaintiffs could not charge rates in "the manner" that they would have "proposed" in an administrative procedure. *Williamson Cnty. Reg'l Plan. Comm'n v. Hamilton Bank of Johnson City*, 473 U.S. 172, 193 (1985), *overruled in part on other grounds by Knick v. Twp. of Scott*, 473 U.S. 172 (1985). Neither *Penn Central* nor the ripeness doctrine requires property owners to engage in futile exercises. Simply put, there are no threshold obstacles to the takings claims.

B. The 4% Rent-Increase Cap Violates the Equal Protection Clause.

It is likewise clear that the 4% Rent-Increase Cap runs afoul of the Equal Protection Clause. As the Supreme Court has explained, the Equal Protection Clause protects individuals who have been intentionally treated differently from others similarly situated by the government with respect to "fundamental right[s]." *Plyler v. Doe*, 457 U.S. 202, 216-17 (1982). And "[w]henever a state law infringes a constitutionally protected right," courts must "undertake intensified equal protection scrutiny of that law." *Soto-Lopez*, 476 U.S. at 904 (plurality op.) (collecting cases); *accord City of New Orleans v. Dukes*, 427 U.S. 297, 303 (1976) (explaining that, in the equal-protection context, regulations "affect[ing] fundamental rights" trigger strict scrutiny).

Those principles doom the 4% Rent-Increase Cap. That cap expressly discriminates against the category of property owners in Los Angeles, like Plaintiffs, who own properties built prior to October 1, 1978. *See* L.A. Mun. Code §§151.02, 151.34. And the cap directly impinges on property owners' right to exclude—a "fundamental element of the property right" that is expressly protected by the Takings Clause. *Cedar Point*, 594 U.S. at 149-50; *see Plyler*, 457 U.S. at 217 n.15 (explaining that, in establishing whether a right is fundamental, courts "look to the Constitution"). Accordingly, strict scrutiny applies. But the City has never even

attempted to explain how the 4% Rent-Increase Cap can satisfy such scrutiny. That is the end of the matter.

The district court's contrary decision cannot rescue the City. The court first rejected Plaintiffs' equal-protection challenge to the 4% Rent-Increase Cap based on the same flawed statute-of-limitations theory discussed above—*i.e.*, that Plaintiffs should have filed suit by 2011 to challenge a 2023 enactment. *See* ER-16-17. That theory remains legally and chronologically flawed. Nor can the City pile on new discriminatory burdens in perpetuity because it drew a distinction for lesser burdens years ago. There is no "adverse possession" for constitutional violations, especially when new burdens are imposed based on pre-existing suspect classifications. *Parents Involved in Cmty. Schs. v. Seattle Sch. Dist. No. 1*, 551 U.S. 701, 779 (2007) (Thomas, J., concurring).

The district court's merits reasoning fared no better. The court first assumed that rational-basis review applied based on its understanding that this case implicated "no plausible suspect classification." ER-18. That assumption is irreconcilable with Supreme Court precedent applying heightened scrutiny to discrimination that occurs on the basis of fundamental rights—precedent that the court below did not even acknowledge. *See* pp.47-48, *supra*. Regardless, even assuming that rational-basis review applied, the 4% Rent-Increase Cap flunks it, as a bizarre reverse-grandfather clause like the 4% Rent-Increase Cap is hardly rational. Jurisdictions often

grandfather existing property owners to (rationally) respect reliance interests. *See, e.g.*, *Nordlinger v. Hahn*, 505 U.S. 1, 14 (1992). But doing the opposite—imposing burdensome restrictions *only* on those with valid reliance interests—is irrational and down-right pernicious.

The district court nevertheless suggested that the 4% Rent-Increase Cap is rational because saddling new properties with the same crippling restrictions could deter new housing construction. *See* ER-18-19. But that effort to turn interference with reasonable investors' expectations—*i.e.*, that which makes a regulation suspect under *Penn Central*—into a constitutional virtue gets matters backwards. It is bad enough the City subsidizes tenants' rents—a policy that should be financed, if at all, by all taxpayers—on the backs of landlords. But the fact that it does not even burden all landlords equally and recognizes that its policies would deter new housing is not constitutionally sustainable.[5] If the only way new investors will enter the housing market is without the 4% Rent-Increase Cap, the only path that is both constitutional and rational is to eliminate the cap for all property owners.

The district court additionally claimed that the 4% Rent-Increase Cap is rational because California's "Costa-Hawkins Act forbids price controls" on non-

[5] The district court suggested that the Supreme Court deemed rent-control regimes *per se* "rational" in *Pennell v. City of San Jose*, 485 U.S. 1 (1988). ER-19. In fact, *Pennell* merely found the particular scheme allowing for landlord-specific rent adjustments rational. 485 U.S. at 13-14.

RSO properties. ER-18 (citing *Thornton v. City of St. Helens*, 425 F.3d 1158 (9th Cir. 2005)). But even assuming state law precludes the City from leveling up to impose the 4% Rent-Increase Cap on all housing, that is no excuse for not leveling down and freeing all property owners from the cap. Again, the only path that is both constitutional and rational is to eliminate the cap for all property owners.

III. The Relocation-Fee Requirement Violates The Takings Clause.

The Relocation-Fee Requirement violates the Takings Clause too. The district court's contrary merits and timeliness theories miss the mark.

A. The Relocation-Fee Requirement Effects a *Per Se* Taking.

The Relocation-Fee Requirement effects a *per se* taking for many of the reasons why the FMR Eviction Restriction and 4% Rent-Increase Cap effect *per se* takings. Even when the fixed term of a tenant's lease has expired, the Relocation-Fee Requirement forces a landlord to pay an existing tenant thousands of dollars just for the trouble of recovering her own property for family use. *See* p.17, *supra*. And that is the best-case scenario. If the tenant in the relevant unit has resided there for at least 10 years and is either at least 62 years old or disabled, that tenant is deemed "protected." *See* L.A. Mun. Code §151.30(D). As a result of that "protected" status, the landlord can reclaim the unit for family use only by withdrawing that unit *and all others* on the property from the rental market and by providing a notice of her intent to withdraw *one year in advance*. *See id.* §§151.09(A)(10), 151.23(B). The

City also requires the landlord to immediately pay all the tenants in the withdrawn units relocation fees. *See id.* §151.09(G), (G)(2). Only after the landlord jumps through those hoops and waits a year—during which time the tenants are free to continue to physically remain in their units—can she reclaim her property for family use.

That is a quintessential *per se* taking. The City has precluded landlords—like Plaintiff Harris here—from exercising the right to exclude for a substantial period of time and has ransomed the right for a hefty fee. As the Supreme Court emphasized in *Cedar Point*, "'basic and familiar uses of property' are not a special benefit that 'the Government may hold hostage, to be ransomed by the waiver of constitutional protection.'" 594 U.S. at 158, 162; *accord Levin v. City & Cnty. of San Francisco*, 71 F.Supp.3d 1072 (N.D. Cal. 2014). The Relocation-Fee Requirement thus "amounts to simple appropriation of private property." *Cedar Point*, 594 U.S. at 162. Indeed, to the extent rent-control restrictions are permissible, the right to exit via repossession is the sole remaining means for a landlord to exercise her right to exclude (and put some practical restraint on the City's ability to impose ever more burdensome demands). By imposing draconian burdens on that right to exit via repossession of the premises, the City plainly crosses a constitutional line.

The district court refused to engage with these arguments and instead assumed that this Court "already categorically decided that relocation fees are not takings" in

Ballinger v. City of Oakland, 24 F.4th 1287. ER-20. But *Ballinger* is not controlling here. True enough, *Ballinger* involved a "relocation fee" requirement. But the plaintiffs there "assert[ed] that the Ordinance effected an unconstitutional physical taking of their *money* for a private rather than public purpose and without just compensation." 24 F.4th at 1292 (emphasis added). Because the *Ballinger* plaintiffs framed the taking as an unconstitutional seizure of money, not the underlying real property, the case did not even mention the right to exclude, which is the basis of Plaintiffs' *per se* taking claim here.

The district court eventually acknowledged as much, but it nevertheless deemed *Ballinger* dispositive because this Court remarked about a link between the "fee" and "real property." ER-20 (quoting *Ballinger*, 24 F.4th at 1297). But that passage still focused on the alleged taking of *money* and merely rejected the theory that the seizure of fungible money automatically effects a physical appropriation of that currency because it "is linked to real property." *Id.* That analysis is a far cry from a reasoned rejection of Plaintiffs' materially distinct claim that relocation fees prevent owners from exercising their right to exclude. *See United States v. Kirilyuk*, 29 F.4th 1128, 1134 (9th Cir. 2022) ("Prior precedent that does not 'squarely address' a particular issue does not bind later panels on the question.").

B. The Relocation-Fee Requirement Effects a Regulatory Taking.

The regulatory-takings analysis is similarly straightforward. Forcing landlords to pay tens of thousands of dollars to reclaim their own properties from tenants whose leases have long ago expired unquestionably imposes a severe "economic impact," *Cedar Point*, 594 U.S. at 148, and especially so here. Although Plaintiff Harris would prefer to exclude existing tenants to reclaim property for her own family use, she cannot afford the exorbitant fees that the Relocation-Fee Requirement demands. *See* ER-65-66.¶75, ER-94.¶138. That requirement also interferes with her investment-backed expectations: No property owner reasonably expects that the government will forever require her to pay substantial (and ever-increasing) sums to exercise fundamental property rights, *see Cedar Point*, 594 U.S. at 162, because governments "do not have the unfettered authority to 'shape and define property rights and reasonable investment-backed expectations,' leaving landowners without recourse against unreasonable regulations," *Murr v. Wisconsin*, 582 U.S. 383, 396 (2017). And for all the reasons provided above, *see* Section III.A, *supra*, the Relocation-Fee Requirement is properly characterized as a physical invasion by government, as it amounts to a government-approved physical occupation of Plaintiffs' property by unwanted tenants. *Penn Central* is amply satisfied at this juncture.

The district court rejected this analysis by echoing a familiar refrain: It theorized that all regulatory-takings claims require a specific allegation regarding the property's diminution in value. ER-20. The third time is not the charm for that misguided proposition. *See* pp.38-39, *supra*.

C. Plaintiffs' Challenge to the Relocation-Fee Requirement Is Timely.

The district court alternatively suggested that the takings challenge to the Relocation-Fee Requirement is time-barred because the City originally enacted that requirement in 2017, outside the applicable two-year statute-of-limitations. *See* ER-19. The court wisely did not rest its decision exclusively on timeliness grounds because the challenge here is plainly timely.

As this Court has made clear, when a law that "operate[s] on an ongoing basis" causes a party to "abstain from [conduct] … for fear that the [City] will enforce" it, "a new claim arises (and a new limitations period commences) with each new injury." *Flynt v. Shimazu*, 940 F.3d 457, 462-63 (9th Cir. 2019). That principle is especially apposite to a restriction on reclaiming property for personal use, as a property owner would have little reason to challenge the restriction—let alone a ripe claim—unless and until she wanted to repossess. The principle is dispositive here. Plaintiff Harris alleged that she *currently* "wishes to recover" her property for family use—particularly because of the City's other recent impositions, like the FMR Eviction Restriction and 4% Rent-Increase Cap—but she cannot do so because she

does not have the money to comply with the Relocation-Fee Requirement. ER-61.¶67, ER-93.¶135. Plaintiff Harris' decision to "abstain" from reclaiming her own property now that she has a present intent to do so, "for fear that the [City] will enforce the [Relocation-Fee Requirement]" presents a new injury that she may seek to remedy in this lawsuit. *Flynt*, 940 F.3d at 463.

The district court determined that Plaintiff Harris had to bring her claim no later than 2019 because she "lost the ability to evict without paying a fee in 2017." ER-19. Not so. Indeed, California could have deployed a similar theory in *Cedar Point*, as the state promulgated the regulation at issue there in 1975 and yet the plaintiffs did not file suit until 40 years later. *See* 594 U.S. at 144-45. But that theory occurred to no one in *Cedar Point*. And the Supreme Court had no trouble reaching the merits because the law created an *ongoing* threat of physical intrusion on the plaintiffs' property, which the plaintiffs could not ameliorate without facing possible sanctions. *See id.* at 145, 149-52. That is the situation here too: The "'actual injury' that is the basis for the action" is Plaintiff Harris' present inability to repossess her property without incurring the City's wrath. *Ellis*, 24 F.4th at 1271. Because Plaintiff Harris filed suit within two years of suffering that injury, timeliness is no impediment to this challenge to the Relocation-Fee Requirement.

IV. The Renter Protections Notice Requirement Violates The First Amendment.

Last but certainly not least, the Renter Protections Notice Requirement violates the First Amendment. The First Amendment provides that the government "shall make no law … abridging the freedom of speech." U.S. Const. amend. I. Under the First Amendment, the Supreme Court "distinguish[es] between content-based and content-neutral regulations of speech." *NIFLA*, 585 U.S. at 766. Content-based regulations "target speech based on its communicative content," and such regulations "are presumptively unconstitutional and may be justified only if the government proves that they are narrowly tailored to serve compelling state interests." *Reed v. Town of Gilbert*, 576 U.S. 155, 163 (2015). It is well-established that "[m]andating speech that a speaker would not otherwise make necessarily alters the content of the speech," as the First Amendment safeguards an individual's right to decide "both what to say and what *not* to say." *Riley v. Nat'l Fed'n of the Blind of N.C., Inc.*, 487 U.S. 781, 795-97 (1988). Accordingly, when the government "compel[s] individuals to speak a particular message" over their objection—*e.g.*, when the government requires them to "provide a government-drafted script" to third parties—that government action triggers heightened scrutiny. *NIFLA*, 585 U.S. at 766; *see also, e.g.*, *303 Creative LLC v. Elenis*, 600 U.S. 570, 586-87 (2023) ("Nor does it matter whether the government seeks to compel a person to speak its message when he would prefer to remain silent or to force an individual to include other ideas

with his own speech that he would prefer not to include. All that offends the First Amendment just the same." (citations omitted)).

The Renter Protections Notice Requirement is a content-based regulation because it compels RSO-regulated landlords like Plaintiffs to speak a particular message to third parties when they would not otherwise do so. Under that requirement, "a landlord must have the Notice of Renters' Protections"—which is written in English and Spanish—"posted on all residential properties in an accessible common area of the property" for tenants to view. ER-97.¶147. Among other things, that City-drafted script highlights that: (1) RSO-regulated "landlords may not evict a tenant who falls behind on rent unless the tenant owes an amount higher than the Fair Market Rent (FMR)" (and then provides a grid detailing the applicable FMR value for any given unit); (2) the City prohibited RSO-regulated landlords from increasing rents by more than 4% annually; and (3) RSO-regulated landlords must pay "Relocation Assistance" (the amounts of which are also displayed in a grid) in all circumstances involving "no-fault evictions for all residential units," which includes "occupancy by the owner" or "family member." ER-97-98.¶147. A landlord's failure to provide this message, moreover, is a crime. *See* L.A. Mun. Code §151.10(B). The City thus has forced RSO-regulated landlords like Plaintiffs to either "speak as the [government] demands or face sanctions." *303 Creative*, 600 U.S. at 589. Such government-compelled speech "may be justified only if the

government proves that [it is] narrowly tailored to serve compelling [governmental] interests." *NIFLA*, 585 U.S. at 766. Yet again, the City has never argued that it can satisfy that stringent test.

The district court did not either. Instead, it dismissed Plaintiffs' First Amendment claim after it invoked the Supreme Court's decision in *Rumsfeld v. FAIR* and suggested that the City has not compelled Plaintiffs "'to say anything' at all." ER-21-22 (quoting *Rumsfeld*, 547 U.S. at 60). But *Rumsfeld*—which the City tellingly never invoked below—is nothing like this case. The law at issue in *Rumsfeld* (the Solomon Amendment) "regulate[d] conduct, not speech," and it "affect[ed] what law schools must *do*—afford equal access to military recruiters—not what they may or may not *say*." 547 U.S. at 60. Indeed, if Congress had forced universities to endorse the military's recruiting presence or remind the military recruiters of their ability to promote their message, the decision would have likely come out the other way. *Id.* at 61-65 (stressing that universities were not compelled to do anything to endorse the military's message). Here, there is no denying that the City requires Plaintiffs and other landlords to *speak* a government-scripted message or else suffer the consequences. But as the Supreme Court has emphasized, the government lacks constitutional authority to seize "private property [to use] as a 'mobile billboard'" for its own messages or impose a "penalty" on those who refuse to comply. *Wooley v. Maynard*, 430 U.S. 705, 715 (1977).

The district court suggested that the Renter Protections Notice Requirement does not offend the First Amendment because the "common areas" of Plaintiffs' properties are not "inherent[ly] expressive[]" and because Plaintiffs could just "disclaim" the government-mandated message. ER-21-22. But this Court's cases already make clear that a property owner's decision about how to adorn common areas is plainly expressive. *See, e.g.*, *Green v. Miss U.S.A., LLC*, 52 F.4th 773, 783 n.10 (9th Cir. 2022); *accord id.* at 820 (Graber, J., dissenting) (agreeing with the majority that a state "could not compel the owner of [a] hotel chain to decorate her lobbies" in a manner with which she disagreed). And "[t]he mere fact that [a landlord] is free to dissociate himself from the views expressed on his property cannot restore his 'right to refrain from speaking at all.'" *PruneYard Shopping Ctr. v. Robins*, 447 U.S. 74, 99 (1980) (Powell, J., concurring in part and in the judgment); *see Pac. Gas & Elec. Co. v. Pub. Utilities Comm'n of Cal.*, 475 U.S. 1, 11-12 (1986). The Renter Protections Notice Requirement plainly violates the First Amendment.

CONCLUSION

For the foregoing reasons, this Court should reverse the district court's order dismissing Plaintiffs' complaint.

Respectfully submitted,

s/Paul D. Clement

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October 20, 2025

STATEMENT OF RELATED CASES

Pursuant to Ninth Circuit Rule 28-2.6, Appellants state that they are not aware of any other cases pending in this Court that are related to the present case.

October 20, 2025

s/Paul D. Clement
Paul D. Clement

CERTIFICATE OF COMPLIANCE

1. This brief complies with the type-volume limitation of Circuit R. 32-1 because this brief contains 13,999 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(f).

2. This brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6), because it has been prepared in a proportionally spaced typeface using Microsoft Word 2016 in 14-point Times New Roman type.

October 20, 2025

s/Paul D. Clement
Paul D. Clement

CERTIFICATE OF SERVICE

I hereby certify that on October 20, 2025, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the ACMS system. I certify that all participants in this case are registered CM/ECF users and that service will be accomplished by the ACMS system.

s/Paul D. Clement
Paul D. Clement

ADDENDUM

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Constitution of the United States
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U.S.C.A. Const. Amend. I

Amendment I. Establishment of Religion; Free Exercise of Religion; Freedom of Speech and the Press; Peaceful Assembly; Petition for Redress of Grievances

Currentness

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

<Historical notes and references are included in the full text document for this amendment.>

<For Notes of Decisions, see separate documents for clauses of this amendment:>

<USCA Const Amend. I--Establishment clause; Free Exercise clause>

<USCA Const Amend. I--Free Speech clause; Free Press clause>

<USCA Const Amend. I--Assembly clause; Petition clause>

U.S.C.A. Const. Amend. I, USCA CONST Amend. I
Current through P.L. 119-36. Some statute sections may be more current, see credits for details.

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United States Code Annotated
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Amendment V. Grand Jury; Double Jeopardy; Self-Incrimination; Due Process; Takings

U.S.C.A. Const. Amend. V

Amendment V. Grand Jury Indictment for Capital Crimes; Double Jeopardy; Self-Incrimination; Due Process of Law; Takings without Just Compensation

Currentness

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

<Historical notes and references are included in the full text document for this amendment.>

<For Notes of Decisions, see separate documents for clauses of this amendment:>

<USCA Const. Amend. V--Grand Jury clause>

<USCA Const. Amend. V--Double Jeopardy clause>

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U.S.C.A. Const. Amend. V, USCA CONST Amend. V
Current through P.L. 119-36. Some statute sections may be more current, see credits for details.

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United States Code Annotated
Constitution of the United States
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Amendment XIV. Citizenship; Privileges and Immunities; Due Process; Equal Protection; Apportionment of Representation; Disqualification of Officers; Public Debt; Enforcement

U.S.C.A. Const. Amend. XIV

AMENDMENT XIV. CITIZENSHIP; PRIVILEGES AND IMMUNITIES; DUE PROCESS; EQUAL PROTECTION; APPOINTMENT OF REPRESENTATION; DISQUALIFICATION OF OFFICERS; PUBLIC DEBT; ENFORCEMENT

Currentness

Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Section 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

Section 3. No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

Section 4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

Section 5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

<Section 1 of this amendment is further displayed in separate documents according to subject matter,>

<see USCA Const Amend. XIV, § 1-Citizens>

<see USCA Const Amend. XIV, § 1-Privileges>

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SEC. 151.05. REGISTRATION, NOTIFICATION OF TENANTS, POSTING OF NOTICE AND PAYMENT OF FEES.

(Title Amended by Ord. No. 180,769, Eff. 8/16/09.)

A. **(Amended by Ord. No. 157,572, Eff. 4/1/83.)** On or after July, 1979, no landlord shall demand or accept rent for a rental unit without first procuring and serving on the tenant or displaying in a conspicuous place a valid written registration statement from the Department or its designee. On or after April 30, 1983, no landlord shall demand or accept rent for a rental unit without first serving a copy of a valid registration or annual registration renewal statement on the tenant of that rental unit.

1. Every rental unit registration and registration statement issued on or before April 29, 1980 shall expire at midnight April 30, 1980. Applications for registration renewal for a previously registered unit shall be made to the Department or its designee no later than June 15, 1980. However, a landlord may continue to accept or demand rent for a previously registered unit without a current registration statement until July 1, 1980.

2. For a rental unit which first becomes subject to this chapter between May 1, 1980 and December 31, 1980, inclusive, the landlord shall procure a registration statement.

3. The registration or registration renewal statement issued pursuant to Subdivision 1. or 2. above shall expire on March 31, 1981. A landlord who accepts or demands rent for a rental unit on or after January 1, 1981 shall procure a valid registration statement. Application for such registration statement shall be made to the Department or its designee no later than February 14, 1981.

4. The registration or registration statement issued pursuant to Subdivision 3 above shall expire on March 31, 1982. A landlord who accepts or demands rent for a rental unit on or after January 1, 1982 shall procure a valid registration statement. Applications for such registration statement shall be made to the Department or its designee no later than February 14, 1982 and any statement so issued shall expire on April 30, 1983.

5. On or after June 1, 1982, a landlord who accepts or demands rent for a rental unit on or after the first day of January of each year shall procure a valid registration or annual registration renewal statement. Application for a registration or annual registration renewal statement shall be made to the Department or its designee no later than the last day of February of each year, and the statement so issued shall expire on the last day of April of the following year, except that the 1996 registration statement shall expire on June 30, 1997. **(Amended by Ord. No. 171,648, Eff. 8/3/97.)**

6. The registration statements issued for registration of rental units in 2016 shall be valid through June 30, 2017, and expire on July 1, 2017. Thereafter, registration renewal statements shall expire annually on June 30 of the following year. **(Added by Ord. No. 184,529, Eff. 10/4/16.)**

B. The Department or its designee shall register or renew the registration of a rental unit subject to this chapter upon: the payment of all outstanding registration fees imposed pursuant to this chapter; compliance with Subsection J. of this section; and furnishing of an emergency contact, including the contact's name, address and phone number. For any rental unit for which a registration or annual registration renewal statement is required, a registration or annual registration renewal fee shall be paid. This fee shall be due and payable on the first day of January of each year, and shall be deemed delinquent if not paid on or before the last day of the month of February of each year. The fees required hereunder shall be as follows: **(Amended by Ord. No. 184,529, Eff. 10/4/16.)**

1. For a rental unit for which a landlord accepts or demands rent between May 1, 1979 and April 30, 1980, inclusive, there shall be an initial registration fee of three dollars, and if rent for such rental unit is accepted or demanded between May 1, 1980 and December 31, 1980 inclusive, there shall also be paid a registration renewal fee of three dollars.

2. For a rental unit which first becomes subject to this chapter between May 1, 1980 and December 31, 1980 inclusive, there shall be an initial registration fee of three dollars; and

3. For any rental unit for which a landlord accepts or demands rent on or after January 1, 1981, there shall be a registration or registration renewal fee of four dollars.

4. For any rental unit for which a landlord accepts or demands rent between January 1, 1982 and December 31, 1982 inclusive, there shall be a registration or registration renewal fee of seven dollars. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

5. For any rental unit for which a registration or annual registration renewal statement is required, a registration or annual registration renewal fee shall be paid. This fee shall be due and payable on the first day of January of each year, and shall be deemed delinquent if not paid on or before the last day of the following month. The amount of this fee shall be thirty-eight dollars and seventy-five cents ($38.75). **(Amended by Ord. No. 186,448, Eff. 12/30/19.)**

C. The landlord shall maintain records setting forth the maximum rent for each rental unit. Each landlord who demands or accepts a higher rent than said maximum rent shall inform the tenant or any prospective tenant of the rental unit in writing of the factual justification for the difference between said maximum rent and the rent which the landlord is currently charging or proposes to charge. **(Amended by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.)**

D. For a rental unit for which a four dollar fee has been paid pursuant to Subdivision 3. of Subsection B. of this section, the landlord, for the month of April, 1981, and on a one time basis only, may demand and collect a total of four dollars per rental unit from the tenant of the rental unit after serving the tenant with a thirty days written notice on a form provided by the Department explaining the nature of the onetime charge. **(Amended by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.)**

E. For a rental unit for which a registration or registration renewal fee has been paid pursuant to Subdivision 4. of Subsection B. of this section, the landlord, for the month of June, 1982, and on a one-time basis only may demand and collect a total of four dollars per rental unit from the tenant of the rental unit after serving the tenant with a thirty days written notice on a form provided by the Department explaining the nature of the one-time charge. **(Added by Ord. No. 155,561, Eff. 8/9/81.)**

F. For a rental unit for which the registration or annual registration renewal fee has been paid pursuant to Subdivision 5. of Subsection B. of this section, the landlord may demand and collect a rental surcharge of 50% of the annual registration fee from the tenant of the rental unit after serving the tenant with a notice as described in Civil Code Section 827 and given in the manner prescribed by Code of Civil Procedure Section 1162. **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

The rental surcharge may only be collected in August of the year in which the registration or annual registration fee became due and payable, provided that the landlord is not delinquent in the payment of the registration or annual registration renewal fee. Except that, during the 1997 registration cycle, the tenant surcharge may be collected during any month prior to December 31, 1997 subject to the notification requirement described above and provided that the landlord is not delinquent in the payment of the registration or annual registration renewal fee. **(Amended by Ord. No. 184,529, Eff. 10/4/16.)**

Effective January 1, 2020, and in all subsequent years, a landlord who has timely paid all annual registration or annual registration renewal fees and completed the rent registry for the given year may collect one-twelfth of 50% of the annual registration or annual registration renewal fee paid pursuant to Subdivision 5. of Subsection B. of this section from the tenant of the rental unit per month, after serving the tenant with a 30-day written notice as described in Civil Code Section 827, which shall be served in the manner prescribed by Code of Civil Procedure Section 1162. **(Added by Ord. No. 186,448, Eff. 12/30/19.)**

The Rent Adjustment Commission shall have the authority to adopt any regulations necessary to implement this section. **(Added by Ord. No. 186,448, Eff. 12/30/19.)**

G. The landlord of a rental unit which is not registered with the Department shall provide the Department, on the form approved by the Department and accompanied by supporting documentation, a written declaration stating the facts upon which the landlord bases a claim of exclusion from the provisions of this Chapter. If a landlord fails to submit a written declaration and supporting documents by the last day of the month of January of each year, the unit shall be deemed to be subject to the provisions of this Chapter and any fees collected shall be non-refundable. If a landlord declares that the rental unit is not subject to the registration requirements of this Subsection because the rental unit is vacant, the landlord shall provide the Department with a copy of a notice recorded against the property declaring that the unit is and shall remain vacant, and the unit shall be secured against unauthorized entry. **(Amended by Ord. No. 181,744, Eff. 7/15/11.)**

H. **(Repealed by Ord. No. 181,744, Eff. 7/15/11.)**

I. For every property for which a landlord is required to procure a written registration statement pursuant to the provisions of Subsection A. of this Section, the landlord shall post a notice on a form prescribed by the Department, providing information about the Rent Stabilization Ordinance and Department contact information. Notices must be posted in a conspicuous location in the lobby of the property, near a mailbox used by all residents on the property, or in or near a public entrance to the property. The notice shall be written in English and Spanish, and in any other languages as required by the Department. **(Added by Ord. No. 180,769, Eff. 8/16/09.)**

J. **Rent Registry; Notice of Rent Information Deficiencies and Opportunity to Cure; Appeals; and Final Administrative Decision. (Added by Ord. No. 184,529, Eff. 10/4/16.)**

1. A landlord shall provide rent amount and tenancy information for every rental unit subject to this chapter on a form prescribed by the Department. This information shall be submitted annually by the last day of February of each year. Registration is complete only when all outstanding registration fees have been paid and all required rent amount and tenancy information, including emergency contact information, is provided.

2. The Department shall provide written notification to the landlord of the failure to comply with this subsection and allow 15 calendar days to respond. The Department will not issue a registration statement for the property until the landlord has substantially complied by providing the required rental information as provided by applicable law.

3. Any landlord disputing the Department's notification of deficient registration may file a written appeal within ten calendar days of the date of the notice of deficiency. The Department shall provide a written notice within 30 calendar days of its appeal decision which shall be a final administrative decision. The Rent Adjustment Commission may promulgate regulations to implement these provisions.

SEC. 151.09. EVICTIONS.
(Amended by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.)

A. A landlord may bring an action to recover possession of a rental unit only upon one of the following grounds:

1. The tenant has failed to pay rent to which the landlord is entitled, including amounts due under Subsection F. of Section 151.05; provided, however, that the landlord's right to evict a tenant lawfully in possession of residential housing under this subdivision is limited to defaults in payment where the amount due exceeds one month of fair market rent for the Los Angeles metro area set annually by the U.S. Department of Housing and Urban Development for an equivalent sized rental unit as that occupied by the tenant. The written notice to the tenant required under this section shall state the number of bedrooms in the tenant's rental unit. **(Amended by Ord. No. 187,763, Eff. 3/27/23.)**

2. The tenant has violated a lawful obligation or covenant of the tenancy and has failed to cure the violation after having received written notice from the landlord, other than a violation based on: **(Amended by Ord. No. 175,130, Eff. 3/31/03.)**

(a) The obligation to surrender possession upon proper notice; or

(b) The obligation to limit occupancy, provided that the additional tenant who joins the occupants of the unit thereby exceeding the limits on occupancy set forth in the rental agreement is either the first or second dependent child to join the existing tenancy of a tenant of record or the sole additional adult tenant. For purposes of this section, multiple births shall be considered as one child. The landlord, however, has the right to approve or disapprove the prospective additional tenant, who is not a minor dependent child, provided that the approval is not unreasonably withheld; or

(c) A change in the terms of the tenancy that is not the result of an express written agreement signed by both of the parties. For purposes of this section, a landlord may not unilaterally change the terms of the tenancy under Civil Code Section 827 and then evict the tenant for the violation of the added covenant unless the tenant has agreed in writing to the additional covenant. The tenant must knowingly consent, without threat or coercion, to each change in the terms of the tenancy. A landlord is not required to obtain a tenant's written consent to a change in the terms of the tenancy if the change in the terms of the tenancy is authorized by Los Angeles Municipal Code Section 151.06, or if the landlord is required to change the terms of the tenancy pursuant to federal, state, or local law.

Nothing in this paragraph shall exempt a landlord from providing legally required notice of a change in the terms of the tenancy.

3. **(Amended by Ord. No. 180,449, Eff. 2/5/09.)** The tenant is committing or permitting to exist a nuisance in or is causing damage to, the rental unit or to the unit's appurtenances, or to the common areas of the complex containing the rental unit, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the rental complex or within a 1,000 foot radius extending from the boundary line of the rental complex.

The term "nuisance" as used in this subdivision includes, but is not limited to, any gang-related crime, violent crime, unlawful weapon or ammunition crime or threat of violent crime, illegal drug activity, any documented activity commonly associated with illegal drug dealing, such as complaints of noise, steady traffic day and night to a particular unit, barricaded units, possession of weapons, or drug loitering as defined in Health and Safety Code Section 11532, or other drug related circumstances brought to the attention of the landlord by other tenants, persons within the community, law enforcement agencies or prosecution agencies. For purposes of this subdivision, gang-related crime is any crime motivated by

gang membership in which the perpetrator, victim or intended victim is a known member of a gang. Violent crime is any crime which involves use of a gun, a deadly weapon or serious bodily injury and for which a police report has been completed. A violent crime under this subdivision shall not include a crime that is committed against a person residing in the same rental unit as the person committing the crime. Unlawful weapon or ammunition crime is the illegal use, manufacture, causing to be manufactured, importation, possession, possession for sale, sale, furnishing, or giving away of ammunition or any weapon listed in subdivision (c)(1)-(5) of Section 3485 of the Civil Code.

Threat of violent crime is any statement made by a tenant, or at the tenant's request, by the tenant's agent to any person who is on the premises or to the owner of the premises, or the owner's agent, threatening the commission of a crime which will result in death or great bodily injury to another person, with the specific intent that the statement is to be taken as a threat, even if there is no intent of actually carrying it out, when on its face and under the circumstances in which it is made, it is so unequivocal, immediate and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for the person's own safety or for the person's immediate family's safety. Such a threat includes any statement made verbally, in writing, or by means of an electronic communication device and regarding which a police report has been completed. A threat of violent crime under this section shall not include a crime that is committed against a person who is residing in the same rental unit as the person making the threat. "Immediate family" means any spouse, whether by marriage or not, parent, child, any person related by consanguinity of affinity within the second degree, or any other person who regularly resides in the household, or who, within the prior six months, regularly resided in the household. "Electronic communication device" includes but is not limited to, telephones, cellular telephones, video recorders, fax machines, or pagers. "Electronic communications" has the same meaning as the term is defined in subsection 12 of Section 2510 of Title 18 of the United States Code, except that "electronic communication" for purposes of this definition shall not be limited to electronic communication that affects interstate or foreign commerce.

Illegal drug activity is a violation of any of the provisions of Chapter 6 (commencing with Section 11350) or Chapter 6.5 (commencing with Section 11400) of the Health and Safety Code.

4. The tenant is using, or permitting a rental unit, the common areas of the rental complex containing the rental unit, or an area within a 1,000 foot radius from the boundary line of the rental complex to be used for any illegal purpose. **(Amended by Ord. No. 171,442, Eff. 1/19/97.)**

The term "**illegal purpose**" as used in this subdivision includes, but is not limited to, violations of any of the provisions of Division 10, Chapter 6 (commencing with Section 11350) and Chapter 6.5 (commencing with Section 11400) of the California Health and Safety Code, and does not include the use of housing accommodations lacking a legal approved use or which have been cited for occupancy or other housing code violations. **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

5. The tenant, who had a written lease or rental agreement which terminated on or after the effective date of this chapter, has refused, after written request or demand by the landlord to execute a written extension or renewal thereof for a further term of like duration with similar provisions and in such terms as are not inconsistent with or violative of any provision of this chapter or any other provision of law.

6. The tenant has refused the landlord reasonable access to the unit for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by the lease or by law, or for the purpose of showing the rental unit to any prospective purchaser or mortgagee.

7. The person in possession of the rental unit at the end of a lease term is a subtenant not approved by the landlord.

8. **(Amended by Ord. No. 180,747, Eff. 8/1/09.)** The landlord seeks in good faith to recover possession of the rental unit for use and occupancy as a primary place of residence by:

(a) The landlord; or

(b) The landlord's spouse, grandchildren, children, parents or grandparents; or

(c) A resident manager when a residential manager, janitor, housekeeper, caretaker, or other responsible person is required to reside upon the premises by law or under the terms of an affordable housing covenant or regulatory agreement. **(Amended by Ord. No. 187,737, Eff. 1/27/23.)**

Landlords seeking to recover possession pursuant to the provisions of this Subdivision must comply with the restrictions and requirements of Section 151.30, as well as all other relevant provisions of this Article.

9. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)** The landlord, having complied with all applicable notices and advisements required by law, seeks in good faith to recover possession so as to undertake Primary Renovation Work of the rental unit or the building housing the rental unit, in accordance with a Tenant Habitability Plan accepted by the Department, and the tenant is unreasonably interfering with the landlord's ability to implement the requirements of the Tenant Habitability Plan by engaging in any of the following actions:

a. The tenant has failed to temporarily relocate as required by the accepted Tenant Habitability Plan; or

b. The tenant has failed to honor a permanent relocation agreement with the landlord pursuant to Section 152.05 of this Code.

10. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)** The landlord seeks in good faith to recover possession of the rental unit under either of the following circumstances:

a. to demolish the rental unit; or

b. to remove the rental unit permanently from rental housing use.

Landlords seeking to recover possession for either of the circumstances described in this subdivision must comply with the requirements of Sections 151.22 through 151.28 of this article. This subdivision constitutes lawful grounds for eviction only where a landlord is withdrawing from rent or lease all of the rental units in a structure or building. A landlord seeking to evict tenants pursuant to either of the circumstances described in this subdivision may not withdraw from rent or lease less than all of the accommodations in a structure or building. Pursuant to California Government Code Section 7060, this subdivision shall not apply to a Residential Hotel as defined in accordance with California Health and Safety Code Section 50519 and Section 47.70, et seq., of this Code. **(Amended by Ord. No. 184,873, Eff. 6/4/17.)**

11. The landlord seeks in good faith to recover possession of the rental unit in order to comply with a governmental agency's order to vacate, order to comply, order to abate, or any other order that necessitates the vacating of the building housing the rental unit as a result of a violation of the Los Angeles Municipal Code or any other provision of law. **(Amended by Ord. No. 172,288, Eff. 12/17/98.)**

12. The Secretary of Housing and Urban Development is both the owner and plaintiff and seeks to recover possession in order to vacate the property prior to sale and has complied with all tenant

notification requirements under federal law and administrative regulations. **(Added by Ord. No. 173,224, Eff. 5/11/00.)**

13. The rental unit is in a Residential Hotel, and the landlord seeks to recover possession of the rental unit in order to Convert or Demolish the unit, as those terms are defined in Section 47.73 of the Los Angeles Municipal Code. A landlord may recover possession of a rental unit pursuant to this paragraph only after the Department has approved an Application for Clearance pursuant to the provisions of Section 47.78. **(Amended by Ord. No. 180,175, Eff. 9/29/08.)**

14. The landlord seeks to recover possession of the rental unit to convert the subject property to an affordable housing accommodation in accordance with an affordable housing exemption issued by the Department pursuant to Section 151.02 of this Code.

If the landlord fails to record a government imposed regulatory agreement within six months of the filing of the affordable housing exemption with the Department in accordance with Section 151.02 of this Code, and the landlord seeks to offer the rental unit for rent or lease, the accommodations shall be offered and rented or leased at the lawful rent in effect at the time the affordable housing exemption was filed with the Department, plus annual adjustments available pursuant to Section 151.06 of this Code. Furthermore, the landlord shall first offer to rent or lease the unit to the tenant(s) displaced from that unit pursuant to this Subdivision, provided that the tenant(s) advised the landlord in writing within 30 days of displacement of their desire to consider an offer to renew the tenancy and provided the landlord with an address to which that offer is to be directed. The tenant(s) may subsequently advise the landlord of a change of address to which an offer is to be directed. A landlord who re-offers the rental unit pursuant to the provisions of this Subdivision shall deposit the offer in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced tenant(s) at the address furnished to the landlord as provided in this Subdivision, and shall describe the terms of the offer. The displaced tenant(s) shall have 30 days from the deposit of the offer in the mail to accept the offer by personal delivery of that acceptance to the Department or deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid. **(Added by Ord. No. 181,744, Eff. 7/15/11.)**

B. If the dominant intent of the landlord in seeking to recover possession of a rental unit is retaliation against the tenant for exercising the tenant's rights under this chapter or because of the tenant's complaint to an appropriate agency as to tenantability of a rental unit, and if the tenant is not in default as to the payment of rent, then the landlord may not recover possession of a rental unit in any action or proceeding or cause the tenant to quit involuntarily. **(Amended by Ord. No. 161,865, Eff. 1/19/87.)**

C. In any action to recover possession of a rental unit, the landlord shall serve on the tenant a written notice setting forth the reasons for the termination. The written notice shall be as described in Civil Code Section 1946 or Code of Civil Procedure Sections 1161 and 1161a. The notice shall be given in the manner prescribed by Code of Civil Procedure Section 1162 and must also comply with the following: **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

1. When the termination of tenancy is based on any of the grounds set forth in Subdivisions 2. through 7. of Subsection A. of this section, the termination notice must set forth specific facts to permit a determination of the date, place, witnesses and circumstances concerning the eviction reason. **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

2. When the termination of tenancy is based on the grounds set forth in Subdivision 8. of Subsection A. of this Section, the landlord shall file with the Department a declaration on a form and in the number prescribed by the Department identifying the person to be moved into the rental unit, the date on which the person will move in, the rent presently charged for the rental unit, and the date of the last rental increase. This declaration shall be served on the tenant in the manner prescribed by Code of Civil Procedure Section 1162 in lieu of the notice required in Subdivision 1. of this Subsection. When filing the declaration, the landlord shall pay an administrative fee in the amount of $75. The fee shall pay for

the cost of administering and enforcing the provisions of Section 151.30 of this Code. **(Amended by Ord. No. 180,747, Eff. 8/1/09.)**

3. When a termination of tenancy is based on the ground set forth in Section 151.09 A.9. of this Code, the landlord shall file with the Department a declaration on a form prescribed by the Department that sets forth the address of the rental unit, the name of the tenant, a copy of the Tenant Habitability Plan accepted by the Department, documentation of the landlord's good faith efforts to provide notice pursuant to Section 152.00 *et seq.* of this Code, documentation of efforts to provide relocation assistance, if applicable, and the reason for the termination with specific facts, including but not limited to the date, place, witnesses and circumstances concerning the reason for termination. This declaration shall be served on the tenant in the manner prescribed by Section 1162 of the California Code of Civil Procedure in lieu of the notice required in Subdivision 1. of this subsection. (Amended by Ord. No. 176,544, Eff. 5/2/05.)

4. When the termination of the tenancy is based on either of the grounds set forth in Subdivision 10. of Subsection A. of this section, the landlord must comply with the requirements of Sections 151.22 through 151.28 of this article. The requirements of Sections 151.22 through 151.28 of this article are in lieu of the notice required in Subdivision 1. of this subsection. **(Amended by Ord. No. 177,901, Eff. 9/29/06.)**

5. When the termination of tenancy is based on the ground set forth in Subdivision 11. of Subsection A. of this section, then the landlord shall file with the Department a declaration on the form and in the number prescribed by the Department stating that the landlord intends to evict in order to comply with a governmental agency's order to vacate the building housing the rental unit. The landlord shall attach a copy of the order to vacate to this declaration. This notice shall be served on the tenant in the manner prescribed by Code of Civil Procedure Section 1162 in lieu of the notice required in Subdivision 1. of this subsection. **(Added by Ord No, 164,685, Eff. 5/11/89.)**

6. When the termination of tenancy is based on the grounds set forth in Subdivision 3. or 4. of Subsection A. of this Section because of alleged illegal drug activity, then the landlord shall file with the Department a declaration on a form and in the manner prescribed by the Department. **(Amended by Ord. No. 180,981, Eff. 12/26/09.)**

7. When the termination of tenancy is based on the grounds set forth in Subdivision 3. or 4. of Subsection A. of this Section because of alleged gang- related crime, violent crime, unlawful weapon or ammunition crime, threat of violent crime, illegal drug activity or drug-related nuisance as those terms are defined in Section 47.50 A. of this Code, and the landlord desires to raise the rent upon re-rental of the rental unit pursuant to Section 151.06 of this Chapter, then the landlord shall file with the Department a declaration on a form and in the manner prescribed by the Department, including the name of the law enforcement or prosecution agency that provided the landlord with the information upon which the notice of intent to terminate the tenancy will be based. **(Amended by Ord. No. 180,981, Eff. 12/26/09.)**

8. When the termination of tenancy is based on the grounds set forth in Subdivision 12. of Subsection A. of this section, the Secretary of Housing and Urban Development, or the Secretary's representative, shall file with the Department a declaration on a form and in the number prescribed by the Department stating that the Secretary has complied with all tenant notification requirements under federal law and administrative regulations. **(Added by Ord. No. 173,224, Eff. 5/11/00.)**

9. A copy of any written notice terminating a tenancy shall be filed with the Department within three business days of service on the tenant. **(Added by Ord. No. 187,737, Eff. 1/27/23.)**

D. A landlord shall not change the terms of a tenancy to prohibit pets and then evict the tenant for keeping a pet which was kept and allowed prior to the change, unless the landlord can establish that the pet constitutes a nuisance and the nuisance has not been abated upon proper notice to the tenant. **(Amended by Ord. No.**

154,736, Eff. 1/9/81; Amended by Ord. No. 174,488, Eff. 4/1/02; Ord. No. 174,488 Repealed by Ord. No. 174,501, Eff. 4/11/02.)

E. In any action by a landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense any violation of the provisions of this chapter. Violation of Subsections A., B. or D. of this section shall not constitute a misdemeanor. **(Amended by Ord. No. 166,130, Eff. 9/16/90.)**

F. In any action by a landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense the failure of the landlord to comply with Sections 151.04 C. and 151.05 A. of this Chapter. **(Amended by Ord. No. 182,359, Eff. 1/26/13.)**

G. Except for relocation fees owed pursuant to the provisions of Subsection E. of Section 151.30 of this Code, if the termination of tenancy is based on the grounds set forth in Subdivisions 8., 10., 11., 12., 13. or 14. of Subsection A. of this section, then the landlord shall pay a relocation fee of: $16,650 to qualified tenants and a $7,900 fee to all other tenants who have lived in their rental unit for fewer than three years; $19,700 to qualified tenants and a $10,400 fee to all other tenants who have lived in their rental unit for three years or longer; or $19,700 to qualified tenants and $10,400 to all other tenants whose household income is 80% or below Area Median Income (AMI), as adjusted for household size, as defined by the U.S. Department of Housing and Urban Development, regardless of length of tenancy. Relocation fees owed for the termination of tenancy set forth in Subdivision 14. shall be based on the applicable provisions of the Uniform Relocation Act, California Relocation Assistance Act, or the amount set forth in this section. If more than one fee applies to a rental unit, the landlord shall pay the highest of the applicable fees. Tenants who claim eligibility based on their income shall file a statement with the Department verifying their income on a form prescribed by the Department. Requests for a hearing to appeal a decision regarding a tenant's relocation assistance eligibility, including disputes about eligibility for higher relocation assistance based on a tenant's income, age, length of tenancy, family status and/or disability status, must be filed in writing on the form prescribed by the Department and received by the Department within fifteen calendar days of the date of the Department's notification of its decision regarding tenant relocation assistance. **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

The Department shall charge a fee of $193 per rental unit for any hearing request under this subsection to pay for the cost of the appeal hearing. For the year beginning July 1, 2009, and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. of this Code. The adjusted amount shall be rounded to the nearest $50 increment. **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

If a termination of tenancy is required due to a governmental agency order to vacate or comply, and the subject property has an approved use as a single family home and the structure containing the single family home contains two dwellings, the landlord shall pay a relocation fee in accordance with Section 151.09 G. of this Code to the tenant(s) of the affected rental unit(s) within 15 days of receiving notice from the tenant(s) of their intention to terminate the tenancy. **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

1. **(Amended by Ord. No. 178,632, Eff. 5/26/07.)** This payment shall be made as follows:

    a. The entire fee shall be paid to a tenant who is the only tenant in a rental unit;

    b. If a rental unit is occupied by two or more tenants, then each tenant of the unit shall be paid an equal, pro-rata share of the fee;

    c. Nothing in this subsection relieves the landlord from the obligation to provide relocation assistance pursuant to City administrative agency action or any other provision of local, state or federal law. If a tenant is entitled to monetary relocation benefits pursuant to City administrative agency action or any provision of local, state or federal law, then those benefits shall operate as a credit against any fee required to be paid to the tenant under this section.

d. If the termination of tenancy is based on the grounds set forth in Subdivisions 8., 10., 11. or 12. of Subsection A. of this section, then the landlord shall also pay the City a fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider, as defined in Sections 47.06 B. and 47.07 B. of this Code. The fee shall be $640 for each unit occupied by a qualified tenant and $400 for each unit occupied by other tenants, and an additional $55 per unit to pay for the administrative costs associated with this service. The fees, set forth above, may be increased in an amount based on the Consumer Price Index - All Urban Consumers averaged for the first 12-month period ending September 30, of each year, as determined and published by the Los Angeles Housing Department on or before May 30, of each year, pursuant to Section 151.07 A.6. of this Code. The Relocation Assistance Service Provider will provide the relocation assistance services listed in Sections 47.06 D. and 47.07 D. of this Code. **(Amended by Ord. No. 187,122, Eff. 8/8/21.)**

2. The landlord shall perform the acts described in this subsection within fifteen days of service of a written notice of termination described in California Civil Code Section 1946; provided, however, the landlord may in its sole discretion, elect to pay the monetary relocation benefits to be paid to a tenant pursuant to this subsection to an escrow account to be disbursed to the tenant upon certification of vacation of the rental housing unit. The escrow account shall provide for the payment prior to vacation of all or a portion of the monetary relocation benefits for actual relocation expenses incurred or to be incurred by the tenant prior to vacation, including but not limited to security deposits, moving expense deposits and utility connection charges. Escrow accounts shall provide that, in the event of disputes between the landlord and the tenant as to the release of funds from escrow, the funds in dispute shall be released to the Department for final determination. The Rent Adjustment Commission shall establish guidelines for the establishment of these escrow accounts, the certification of vacation and pre- vacation disbursement requests.

3. Any tenant subject to displacement due to an unapproved dwelling unit as a result of a notice to vacate or other order requiring the vacation of the dwelling unit in violation of the municipal code or any other provision of law, where the landlord has had a reasonable opportunity to correct the violation, shall be entitled to relocation payable by the landlord to the tenant of the affected rental unit within 15 days of service of the tenant's written notice of termination of the tenancy in accordance with Section 151.09 G. of this Code. **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

4. **Exceptions.** This subsection shall not apply in any of the following circumstances:

a. (None);

b. **(Deleted by Ord. No. 185,224, Eff. 12/13/17.)**

c. **(Deleted by Ord. No. 185,224, Eff. 12/13/17.)**

d. The landlord seeks in good faith to recover possession of the rental unit for use and occupancy by a resident manager, provided that the resident manager is replacing the existing resident manager in the same unit. For the purposes of this exception, a resident manager shall not include the landlord, or the landlord's spouse, grandchildren, children, parents or grandparents; **(Second Sentence Amended by Ord. No. 180,747, Eff. 8/1/09.)**

e. The Department determines that the unit or structure became unsafe or hazardous as the result of a fire, flood, earthquake, or other event beyond the control of the owner or the designated agent and the owner or designated agent did not cause or contribute to the condition. **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

5. The landlord may offset the tenant's accumulated rent against any relocation assistance due under this Subsection, unless the relocation assistance is owed because a termination of tenancy is required by a

governmental agency order to vacate or comply issued for an unpermitted dwelling unit. **(Added by Ord. No. 187,737, Eff. 1/27/23.)**

H. In any action by a landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense the failure of the landlord to comply with Subsection G. of this section. In addition, any landlord who fails to provide monetary relocation assistance as required by Subsection G. of this section shall be liable in a civil action to the tenant to whom such assistance is due for damages in the amount the landlord has failed to pay, together with reasonable attorney fees and costs as determined by the court. **(Added by Ord. No. 160,791, Eff. 2/10/86.)**

I. If the termination of tenancy was based on the grounds set forth in Subdivision 8. of Subsection A. of this section, the landlord shall file with the Department a declaration on a form prescribed by the Department within ten calendar days of the re-rental of the rental unit. **(First Sentence Amended by Ord. No. 177,901, Eff. 9/29/06.)** This declaration shall indicate the address of the rental unit, the date of the re-rental, the amount of rent being charged to the current tenant, the name of the current tenant and such further information as requested by the Department. **(Amended by Ord. No. 177,103, Eff. 12/18/05.)**

J. **(Repealed by Ord. No. 181,744, Eff. 7/15/11.)**

K. **(Repealed by Ord. No. 177,103, Eff. 12/18/05.)**

L. **Other Displacements. (Added by Ord. No. 169,372, Eff. 3/1/94.)**

1. Notwithstanding any provision of the Los Angeles Municipal Code to the contrary, if a tenant of a unit subject to the City's Rent Stabilization Ordinance is forced to vacate their unit as a result of the January 17, 1994 earthquake and aftermath, and if the landlord desires to re-rent that unit, then, prior to offering the unit to any other tenant and within 30 days after completion of repairs to the unit, the landlord shall offer in writing to the tenant the same unit under the same terms and conditions as existed prior to the tenant's displacement, except that the landlord may apply for a rent increase as may be approved by the City's Rent Stabilization Division, or by the Rent Adjustment Commission on appeal, pursuant to the City's Rent Stabilization Ordinance.

2. The tenant shall have five days after receipt of the landlord's offer to inspect the unit and accept or reject the offer. If accepted, the tenant shall occupy the unit within 30 days from the date of acceptance of the offer.

3. The tenant shall, within 45 days of the effective date of the ordinance, provide written notice to the landlord of the tenant's interest to reoccupy the rental unit once all necessary repair work has been completed. The tenant who desires to reoccupy the rental unit shall furnish the landlord with the tenant's current address and shall notify the landlord in writing of any change of address. If a tenant is unable to ascertain an address of the landlord to which the notice can be sent, the tenant may file a copy of the notice with the City's Rent Stabilization Division, and this notice shall constitute compliance by the tenant with the obligation to notify the landlord. Upon request by the landlord, the Rent Stabilization Division shall provide the landlord with any copies of any written notices received by the Rent Stabilization Division.

4. The costs of rehabilitation which are necessary before re-renting a unit which was damaged as set forth in Subdivision 1 above, which costs were not reimbursed by insurance proceeds, or by Federal, State, or local grant funds, or by any other means (such as a satisfied judgment), may be passed through to the tenant by utilization of the process set forth in the Rent Stabilization Ordinance. The landlord may serve a 30-day notice (as required by state law) of a proposed rent increase on the tenant 15 days after the landlord has applied to the Rent Stabilization Division for such an increase. The landlord shall not accept or demand a rent increase from the tenant until the landlord receives the City's approval of the rent

increase. The Rent Stabilization Division shall inform the landlord and tenant of all their rights regarding the proposed rent increase as currently required by the City's Rent Stabilization Ordinance.

5. If a tenant either fails to accept the offer, give notice, or take possession of the rental unit, with- in the applicable time periods described, the landlord shall be free to offer the unit to any tenant, subject to the requirements of the Rent Stabilization Ordinance.

6. A landlord who attempts to re-rent a unit, but refuses to allow a tenant to return to the tenant's home under this subsection shall be guilty of a misdemeanor. Any person who violates this subsection shall also be liable in a civil action for damages and/or injunctive relief, if appropriate, together with reasonable attorneys' fees and costs as determined by the court.

7. The landlord's offers and notices required shall be given in the manner prescribed by Code of Civil Procedure Section 1162 or by certified mail. The tenant shall give any acceptance or notice by first class mail or by utilizing the procedures set forth in Section 1162 at the tenant's option. If any notice, offer, or acceptance is given by mail, then the postmark date shall be deemed the date of that notice, offer, or acceptance.

8. The Rent Stabilization Division shall attempt to notify affected tenants and landlords of the provisions of the ordinance and may devise any forms it deems necessary to implement the ordinance for use by landlords and tenants. The Rent Adjustment Commission shall have the authority to promulgate any rules and regulations it deems necessary to implement the ordinance.

9. The provisions of this subsection shall apply to tenants regardless of whether or not their security deposits were returned in accordance with state law.

10. The provisions of this subsection shall not apply to any tenant whose tenancy was the subject of a judicial proceeding to terminate the tenancy prior to January 17, 1994, if that proceeding results in a final judgment terminating the tenancy.

SEC. 151.23. ELLIS ACT PROVISIONS - REQUIRED NOTICE.
(Added by Ord. No. 177,901, Eff. 9/29/06.)

Notwithstanding any provision of this chapter to the contrary, if a landlord desires to demolish rental units subject to the Rent Stabilization Ordinance, or otherwise withdraw the units from rental housing use, irrespective of whether such rental units are occupied or vacant, then the following provisions shall apply: **(Amended by Ord. No. 184,873, Eff. 6/4/17.)**

A. **Notice of Intent to Withdraw. (Amended by Ord. No. 184,873, Eff. 6/4/17.)** The landlord shall notify the Department of an intention to withdraw a rental unit from rental housing use. This Notice of Intent to Withdraw shall be filed with the Department whether the rental unit(s) to be withdrawn or demolished are occupied or vacant at the time of filing and shall contain the following:

1. statements, under penalty of perjury on the form and in the number prescribed by the Department, stating that the landlord intends to demolish the rental unit or to remove the rental unit from rental housing use;

2. the address or location of the rental unit;

3. the number of rental units to be demolished or removed from rental housing use;

4. the names of the tenants, if any, of each rental unit and that the landlord intends to evict such tenants in order to demolish the rental unit or to remove the rental unit from rental housing use;

5. the date on which the rental unit will be withdrawn from rental housing use; and

6. the rent applicable to that rental unit.

The Department shall have the authority to promulgate forms and procedures to assist in the implementation of this subdivision.

B. **Recordation of Non-Confidential Memorandum and Extension of the Date of Withdrawal from Rental Housing Use.** Irrespective of whether the rental units to be withdrawn or demolished are occupied or vacant at the time of filing the Notice of Intent to Withdraw, the landlord shall record with the County Recorder a memorandum summarizing the provisions of the Notice of Intent to Withdraw, other than provisions that are confidential pursuant to this section. If applicable, information respecting the name or names of the tenants, the rent applicable to any rental unit, and the total number of units is confidential information and shall be treated as confidential information by the Department for purposes of the Information Practices Act of 1977, as contained in Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code. **(Amended by Ord. No. 184,873, Eff. 6/4/17.)**

The landlord shall submit a copy of the memorandum filed with the County Recorder to the Department concurrently with the Notice of Intent to Withdraw, with a certification that actions have been initiated as required by law to terminate any existing tenancies.

The date on which the rental units are to be withdrawn from rental housing use shall be at least 120 days from the date of the delivery to the Department in person or by first-class mail of the Notice of Intent to Withdraw.

If the tenant is at least 62 years of age or disabled (as defined in Government Code Section 12955.3) and has lived in their accommodations for at least one year prior to the date of delivery to the Department of the Notice of Intent to Withdraw pursuant to Subsection A. of this section, then the date of withdrawal of the accommodations of that tenant shall be extended to one year after the date of delivery of that

Notice to the Department. This extension shall take place, if and only if, the tenant gives written notice of their entitlement to an extension to the landlord within 60 days of the date of delivery to the Department of the Notice of Intent to Withdraw. In that situation, the following provisions shall apply:

1. The tenancy shall be continued on the same terms and conditions as existed on the date of delivery to the Department of the Notice of Intent to Withdraw, subject to any adjustments otherwise available under the Rent Stabilization Ordinance.

2. No party shall be relieved of the duty to perform any obligation under the lease or rental agreement.

3. The landlord may elect to extend the date of withdrawal on any other rental units up to one year after the date of delivery to the Department of the Notice of Intent to Withdraw, subject to Subparagraphs 1. and 2.

4. Within 30 days of the notification by the tenant to the landlord of their entitlement to an extension, the landlord shall give written notice to the Department of the claim that the tenant is entitled to stay in the accommodations for one year after the date of delivery to the Department of the Notice of Intent to Withdraw.

5. Within 90 days of the date of delivery to the Department of the Notice of Intent to Withdraw, the landlord shall give written notice to the Department and the affected tenant of the landlord's election to extend the date of withdrawal and the new date of withdrawal under Subparagraph 3.

C. **Notice to the Tenants of Pending Withdrawal.** Within five days of delivery to the Department of the Notice of Intent to Withdraw with the certification required under Subsection B. of this section, and a copy of the memorandum recorded by the County Recorder, the landlord shall notify, by delivery in person or by first-class mail, each affected tenant of the following:

1. That the Department has been notified pursuant to Subsection A., including the date of the delivery to the Department of the Notice of Intent to Withdraw;

2. That the Notice delivered to the Department specified the name and the amount of rent paid by the tenant as an occupant of the accommodations;

3. The amount of rent the landlord specified in the notice to the Department;

4. Notice to the tenant of the tenant's rights under Paragraph (3) of Subdivision (b) of Government Code Section 7060.2; and

5. Notice to the tenant stating the following:

(a) If the tenant is at least 62 years of age or disabled, and has lived in their accommodations for at least one year prior to the date of delivery to the Department of the Notice of Intent to Withdraw, then the tenancy shall be extended to one year after the date of delivery to the Department of the Notice of Intent to Withdraw, provided that the tenant gives written notice of their entitlement to the landlord within 60 days of the date of delivery to the Department of the Notice of Intent to Withdraw;

(b) The extended tenancy shall be continued on the same terms and conditions as existed on the date of delivery to the Department of the Notice of Intent to Withdraw, subject to any adjustments otherwise available under the Rent Stabilization Ordinance; and

(c) No party shall be relieved of the duty to perform any obligation under the lease or rental agreement during the extended tenancy.

D. **Annual Property Status Reports. (Added by Ord. No. 184,873, Eff. 6/4/17.)** For no less than seven (7) years following the date of delivery to the Department of the Notice of Intent to Withdraw, or until such time as the Department advises the landlord that they have complied with all reporting requirements set forth in this section, whichever occurs first, the landlord shall file with the Department an Annual Property Status Report, under penalty of perjury and on the form and in the manner prescribed by the Department, providing the following information to the extent applicable:

1. the status related to the demolition of any withdrawn rental units;

2. the status related to the development of any withdrawn rental units; and

3. confirmation that any newly constructed rental units have been registered with the Department in conformance with Section 151.05 and are being operated in compliance with the Rent Stabilization Ordinance.

SEC. 151.30. EVICTIONS FOR OWNER, FAMILY, OR RESIDENT MANAGER OCCUPANCY.

(Added by Ord. No. 180,747, Eff. 8/1/09.)

Notwithstanding any provision of this Chapter to the contrary, if a landlord seeks to recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 of this Code, the following provisions shall apply:

A. **Ownership Requirement.** A landlord may recover possession of a rental unit pursuant to the provisions of Paragraph a of Subdivision 8. of Subsection A. of Section 151.09 only if the landlord is a natural person who possesses legal title to at least 25 percent of the property containing the rental unit, or is a beneficiary with an interest of at least 25 percent in a trust that owns the property. A landlord may recover possession of a rental unit pursuant to the provisions of Paragraph b. of Subdivision 8. of Subsection A. of Section 151.09 only if the landlord is a natural person who possesses legal title to at least 50 percent of the property containing the rental unit, or is a beneficiary with an interest of at least 50 percent in a trust that owns the property. A landlord may recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 for use and occupancy by the landlord, landlord's spouse, grandchild, child, parent, or grandparent only once for that person in each rental complex of the landlord.

B. **Residency Requirements for Replacement Occupant.** The landlord must in good faith intend that the owner, eligible relative, or a resident manager will occupy the rental unit within three months after the existing tenant vacates the rental unit, and that the owner, eligible relative, or a resident manager will occupy the rental unit as a primary residence for a period of two consecutive years. Failure of the owner, eligible relative, or a resident manager to occupy the rental unit within three months after the existing tenant vacates the unit, or failure of the owner, eligible relative, or a resident manager to occupy the rental unit as a primary residence for a period of two consecutive years, may be evidence that the landlord acted in bad faith in recovering possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09. It will not be evidence of bad faith if a landlord recovers possession of a rental unit for use and occupancy by a resident manager, and during the next two years replaces the resident manager with a different resident manager.

C. **Comparable Rental Unit.** A landlord may not recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 if there is a comparable rental unit in the building that is vacant, except that where a building has an existing resident manager, the landlord may evict the existing resident manager in order to replace the existing resident manager with a new manager. **(Amended by Ord. No. 184,822, Eff. 4/30/17.)**

D. **Tenants Eligible for Termination of Tenancy.**

1. **Protected tenants.** A landlord may not recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 if:

(a) any tenant in the rental unit has continuously resided in the rental unit for at least ten years, and is either: (i) 62 years of age or older; or (ii) disabled as defined in Title 42 United States Code Section 423 or handicapped as defined in Section 50072 of the California Health and Safety Code; or

(b) any tenant in the rental unit is terminally ill as certified by a treating physician licensed to practice in the State of California.

2. **Application to most recent tenant.** A landlord may recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 only from a tenant who is the most recent tenant, not protected from termination of tenancy pursuant to the provisions of Subdivision (1) of this Subsection, to occupy a rental unit in the building with the same number of bedrooms needed by the

landlord, the landlord's eligible relative or the resident manager, except that a landlord may recover possession from a different tenant if a different unit is required because of medical necessity, as certified by a treating physician licensed to practice in the State of California.

E. Relocation Fees. A landlord who terminates a tenancy pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 shall pay a relocation fee pursuant to the provisions of Subsection G. of Section 151.09, except in the following circumstance:

If the termination of tenancy is based on the grounds set forth in Paragraphs (a) or (b) of Subdivision 8. of Subsection A. of Section 151.09, and all of the following conditions exist: (1) the building containing the rental unit contains four or fewer rental units; (2) within the previous three years the landlord has not paid the fee authorized by this Subsection to any tenant who resided in the building; (3) the landlord owns, in the City of Los Angeles, no more than four units of residential property and a single-family home on a separate lot; and (4) any eligible relative for whom the landlord is recovering possession of the rental unit does not own any residential property in the City of Los Angeles; then the landlord shall pay a relocation fee of $14,000 to qualified tenants and a fee of $7,000 to all other tenants. If more than one fee applies to a rental unit, the landlord shall pay the highest of the applicable fees. For the year beginning July 1, 2009, and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. of this Code. The adjusted amount shall be rounded to the nearest $50 increment. The fee payment shall be made in accordance with the provisions of Subdivisions 1., 2., and 3. of Subsection G. of Section 151.09, and the provisions of Subdivision 4. of Subsection G. of Section 151.09 apply to determine whether a relocation fee is owed.

F. Post-Tenancy Termination Filing Requirements.

(1) **Three month filing requirement.** Within three months of a tenant's vacation of a rental unit, a landlord who recovered possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 shall file with the Department a statement under penalty of perjury that the rental unit is occupied by the landlord, eligible relative, or resident manager for whom the landlord terminated the tenancy, or an explanation why the rental unit is not occupied by the landlord, eligible relative, or resident manager for whom the landlord terminated the tenancy.

(2) **Annual filing requirements.** A landlord who recovers possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 must, within thirty days preceding the first and second year anniversary of the tenant's vacation of the rental unit, file with the Department a statement under penalty of perjury regarding the continued occupancy of the rental unit by the landlord, eligible relative, or a resident manager. The statement must confirm the continued occupancy by the landlord, eligible relative, or a resident manager, or if the occupancy did not continue, the statement must explain why the rental unit is not occupied by such person.

G. **Tenant Re-Rental Rights.** A landlord who offers a rental unit that was the subject of a tenancy termination pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 for rent or lease within two years after the tenant vacated the rental unit shall first offer to rent the rental unit to the displaced tenant or tenants, provided that the tenant or tenants advised the landlord in writing within 30 days of displacement of the tenant's desire to consider an offer to renew the tenancy and provided the landlord and Department with an address to which to direct the offer. The tenant or tenants may advise the landlord and Department any time during the two year period of eligibility of a change of address to which to direct the offer.

A landlord who offers to rent or lease a rental unit to a previously displaced tenant pursuant to the provisions of this Subsection shall deposit the offer in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced tenant or tenants at the address furnished to the

landlord as provided in this Subsection, and shall describe the terms of the offer. The displaced tenant or tenants shall have 30 days from the deposit of the offer in the mail to accept the offer by personal delivery of that acceptance or by deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid.

H. **Notice of Re-Rental.** If a landlord desires to offer for rent or lease a rental unit that was the subject of a tenancy termination pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09, the landlord must file with the Department a Notice of Intention to Re-Rent Rental Unit on a form prescribed by the Department. The form must be filed before renting or leasing the rental unit.

I. **Penalties.** In addition to all other penalties authorized by law, the following penalties apply for violations of the provisions of Subdivision 8. of Subsection A. of Section 151.09, and of this Section:

(1) If a landlord acts in bad faith in recovering possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09, the landlord shall be liable to any tenant who was displaced from the property for three times the amount of actual damages, exemplary damages, equitable relief, and attorneys' fees. The City may institute a civil proceeding for equitable relief and exemplary damages for displacement of tenants. Nothing in this paragraph precludes a tenant or the City from pursuing any other remedy available under the law.

(2) A landlord who fails to file a statement under penalty of perjury as required by the provisions of Subsection F. of this Section, or a notice as required by the provisions of Subsection H. of this Section, shall pay a fine in the amount of $250 per day for each day that the statement or notice is delinquent.

SEC. 151.34. TEMPORARY SETTING OF AUTOMATIC RENT ADJUSTMENTS AT FOUR PERCENT (4%).

(Added by Ord. No. 188,071, Eff. 1/24/24.)

During the period commencing February 1, 2024, and ending on June 30, 2024, the maximum adjusted rent of any occupied rental unit may be increased once without permission of the Rent Adjustment Commission or Department in an amount not to exceed four percent (4%). If the landlord pays all the costs of electricity and/or gas services for a rental unit then the maximum adjusted rent may be increased an additional one percent (1%) for each such service paid by the landlord, not to exceed a total of an additional two percent (2%).

This section shall be repealed and terminate at the end of June 30, 2024.