

**No. 25-5029**

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**IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT**

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MELVIA HARRIS; ROBERTA KNIGHTEN,

Plaintiffs-Appellants,

v.

CITY OF LOS ANGELES,

Defendant-Appellee,

STRATEGIC ACTIONS FOR A JUST ECONOMY,

Intervenor-Defendant-Appellee.

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On Appeal from the United States District Court for the  
Central District of California  
Hon. Jesus G. Bernal  
Case No. 5:24-cv-02679

**JOINT BRIEF OF AMICI CURIAE SANTA MONICA RENT CONTROL  
BOARD, CITY OF SANTA MONICA, BERKELEY RENT  
STABILIZATION BOARD, CITY OF WEST HOLLYWOOD, CITY AND  
COUNTY OF SAN FRANCISCO, AND CITY OF CULVER CITY IN  
SUPPORT OF APPELLEES AND AFFIRMANCE**

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**TABLE OF CONTENTS**

	<u>Page</u>
IDENTITY AND INTEREST OF AMICI CURIAE .....	3
I. INTRODUCTION .....	4
II. OVERVIEW OF CALIFORNIA RENT STABILIZATION.....	5
A. Landscape of California Rent Control.....	5
1. California Constitutional Limits on Rent Control .....	7
2. State Law Constraints on Local Rent Regulations .....	7
B. California Couples Rent Regulation with Robust Incentives for Housing Development and Reasonable Returns .....	9
C. Longstanding State and Local Financial Relief for Landlords .....	9
D. Challenged Provisions Reflect Widely Adopted and Longstanding Municipal Practice.....	10
1. Rent Stabilization and Just-Cause Eviction Protections are Longstanding Features of California Housing Law.....	10
2. Eviction Restrictions Are a Core and Necessary Component of Rent Regulation .....	12
3. Rent Stabilization Ordinances Commonly Cap Annual Rent Increases.....	13
a. Annual Rent Caps Are Tied to Inflation and Advance Broader Anti-Inflation Goals .....	13
b. Vacancy Decontrol Ensures Regular Market Rate Resetting of Rents .....	13
c. Administrative Fair Return Procedures Safeguard Investment Backed Expectations .....	14
III. THE HOMELESSNESS CRISIS IN CALIFORNIA.....	15
IV. RENT STABILIZATION ORDINANCES EFFECTIVELY ADDRESS THE HOMELESSNESS CRISIS, WHILE PROMOTING LANDLORD AND NEIGHBORHOOD STABILITY .....	18
A. Rent Stabilization Ordinances Effectively Address the Homelessness Crisis .....	18

B. Rent Stabilization Ordinances Promote Neighborhood Stability.....	19
C. Rent Stabilization Ordinances Allow Landlords To Receive Steady, Reliable Rental Income.....	21
D. Rent Stabilization Ordinances Reflect a Deliberate Intent to Balance Tenant and Landlord Interests .....	24
V. CONCLUSION .....	25

**TABLE OF AUTHORITIES****Page****Cases**

<i>Birkenfeld v. City of Berkeley</i> 17 Cal.3d 129, 146 (1976) .....	5, 7, 25
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Cal. Civ. Code § 1954.52 .....	7
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Cal. Code Civ. Proc. § 1179.03.....	10
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BMC ch. 13.76.....	3, 10
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S.F. Admin. Code §§ 37.7, 37.8(e)(4).....	14
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## **IDENTITY AND INTEREST OF AMICI CURIAE**

Amici curiae are City of Santa Monica, Santa Monica Rent Control Board, City of West Hollywood, Berkeley Rent Stabilization Board, City and County of San Francisco, and City of Culver City. Each amicus curiae is a municipal body or Charter City organized under the laws of the State of California that enacts provisions pursuant to its police powers and under state law.

Amici curiae have interest in this case because each amici curiae have implemented similar rent stabilization provisions to the ordinances being challenged in this case.<sup>1</sup> Therefore, amici curiae have an interest in the clear articulation of the law and amici's ability to enact measures to ensure the stability of its communities.

The parties, through their respective counsel, have consented to the filing of this amicus curiae brief. No party, or counsel for any party, authored the attached brief, in whole or in part, or made any monetary contribution toward the preparation or submission of the brief. No person contributed money that was intended to fund preparing or submitting the brief.

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<sup>1</sup> See, e.g., Berkeley, Cal., Mun. Code (“BMC”) ch. 13.76; S.F., Cal., Admin. Code (“S.F. Admin Code”) ch. 37; City of Santa Monica, Cal., Charter art. XVIII; West Hollywood, Cal., Mun. Code (“WHMC”) tit. 17, art. V; Culver City, Cal., Mun. Code (“CCMC”) ch. 15.09.

## I. INTRODUCTION

Appellants Melvia Harris and Roberta Knighten (collectively, “Appellants”) challenge long-standing provisions in Appellee City of Los Angeles’ Rent Stabilization Ordinance, such as limits on automatic annual rent increases for existing tenancies, that form the heart of amici’s systems for stabilizing rents and preventing unnecessary displacement in an increasingly unaffordable housing environment. Appellants have owned rental property in Los Angeles for many decades and have benefitted from the guaranteed returns on investment that these regulatory systems provide. California’s unique landscape includes state constitutional and statutory limits on local governments’ authority, which precludes any plausible federal constitutional challenges to the provisions at issue.

In fact, Appellants have profited from a stable and predictable rental housing market that a regulatory system, such as the ones in Los Angeles and amici cities, provides. According to a recent study, the average rent for units owned by smaller landlords (“mom and pops”) is “higher than the average rent for any other building size group and 20 percent higher than for the overall [‘Rent Stabilization Ordinance’] inventory.”<sup>2</sup> Indeed, a growing number of economists see the benefits for all

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<sup>2</sup> City of L.A., *Los Angeles Housing Department Report on the Economic Study Findings and Recommendations to Amend the Formula to Set the Rent Stabilization Ordinance Annual Allowable Rent Increase*, 12 (Nov. 1, 2024), [https://cityclerk.lacity.org/onlinedocs/2023/23-1134\\_rpt\\_hci\\_11-1-24.pdf](https://cityclerk.lacity.org/onlinedocs/2023/23-1134_rpt_hci_11-1-24.pdf).

participants in robust rent regulations, including more community stability, reduced homelessness and decreased public costs.<sup>3</sup>

## **II. OVERVIEW OF CALIFORNIA RENT STABILIZATION**

### **A. LANDSCAPE OF CALIFORNIA RENT CONTROL**

“It is of the essence of the police power to impose reasonable regulations upon private property rights to serve the larger public good.”<sup>4</sup> “The police power is one of the least limitable of governmental powers, and in its operation often cuts down property rights.”<sup>5</sup>

Styled as a narrow challenge to certain changes in Appellee Los Angeles’ Rent Stabilization Ordinance, Appellant’s and supporting amici’s arguments actually go much further. They attempt to strike at the heart of the police power and would, if accepted, have the effect of dismantling long-standing regulatory systems governing the landlord/tenant relationship in California and interfering with the balance between state and local authority in this area.

The regulations at issue mirror those of multiple municipalities across California, all of which are within the well-established police powers of state and

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<sup>3</sup> See Mark Paul et al., *Tenant Protections for Enterprise-Backed Multifamily Properties Request for Input* (July 28, 2023), [https://peoplesaction.org/wp-content/uploads/Economist-Sign-on-Letter\\_-FHFA-RFI-Response-1.pdf](https://peoplesaction.org/wp-content/uploads/Economist-Sign-on-Letter_-FHFA-RFI-Response-1.pdf).

<sup>4</sup> *Birkenfeld v. City of Berkeley*, 17 Cal.3d 129, 146 (1976) (citing *Queenside Hills Realty Co. v. Saxl*, 328 U.S. 80, 82-83 (1946)).

<sup>5</sup> *Queenside Hills Realty*, 328 U.S. at 83 (lodging house must comply with new safety regulations).

local government, and which address an area that is one of the most pressing facing our country: the lack of affordable housing.<sup>6</sup>

It is well-settled that ““States have broad power to regulate housing conditions in general and the landlord-tenant relationship in particular without paying compensation for all economic injuries that such regulation entails.””<sup>7</sup> “When a landowner decides to rent his land to tenants, the government may place ceilings on the rents the landowner may charge or require the landowner to accept tenants he does not like without automatically having to pay compensation.”<sup>8</sup>

In California, the term “rent control” or “rent stabilization” encompasses a regulatory framework with two major components: (1) allowance of reasonable and predictable rent increases during a tenancy to ensure a fair return on investment; and (2) protection from eviction without just cause. Rent control has existed in California for many decades. Modern rent control arose from a dire need which persists to this day: housing shortages in major cities along with large scale demolition of housing units, which led to skyrocketing and unaffordable rents.<sup>9</sup>

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<sup>6</sup> See e.g., National Low Income Hous. Coal., *The Gap A Shortage of Affordable Homes* (Mar. 2024), [https://nlihc.org/sites/default/files/gap/2024/Gap-Report\\_2024.pdf](https://nlihc.org/sites/default/files/gap/2024/Gap-Report_2024.pdf).

<sup>7</sup> *Yee v. City of Escondido*, 503 U.S. 519, 528-29 (1992) (quoting *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 440 (1982)).

<sup>8</sup> *Yee*, 503 U.S. at 529 (quoting *Pennell v. City of San Jose*, 485 U.S. 1, 12 (1988); and *Heart of Atlanta Motel, Inc. v. United States*, 379 U.S. 241, 261 (1964)).

<sup>9</sup> See, e.g., City of Santa Monica, Cal., Rent Control Charter Amendment (“SMRCCA”) § 1800.

1. California Constitutional Limits on Rent Control

In addition to the general constraints imposed by the U.S. Constitution on property regulations, the California Constitution imposes more specific parameters for systems of controls on the rent. In 1976, in *Birkenfeld*, the California Supreme Court established the basic framework for a system of rent regulations that passes constitutional muster under both the U.S. and California Constitutions: (1) it is “reasonably calculated to eliminate excessive rents and at the same time provide landlords a just and reasonable return on their property”; and (2) it establishes substantive eviction protections to prevent pretextual evictions to evade rent limits.<sup>10</sup>

2. State Law Constraints on Local Rent Regulations

In 1994, the state legislature imposed even greater restrictions on local governments’ ability to set rent limits. The Costa-Hawkins Rental Housing Act (“Costa-Hawkins”) prohibits local public entities from setting any limits on the initial rent charged for a tenancy, with limited exceptions (commonly called vacancy decontrol).<sup>11</sup> Vacancy decontrol prohibits local governments from regulating the rents across different tenancies.

In addition, Costa-Hawkins exempts from local rent control all properties built after 1994 as well as properties already exempt under local laws.<sup>12</sup> Most

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<sup>10</sup> *Birkenfeld*, 17 Cal.3d at 152 and 165.

<sup>11</sup> See Cal. Civ. Code § 1954.53.

<sup>12</sup> See Cal. Civ. Code § 1954.52.

municipalities with existing rent control laws exempt “new” construction, or any property built after the law was enacted, typically around 1979.<sup>13</sup> Thus, state law prohibits these cities from updating their rental housing laws to cover properties that are, in some cases, almost 50 years old.

State law also allows a landlord to override local eviction protections in order to leave the rental business. Under the Ellis Act, landlords may evict all the tenants on the property without cause by serving a notice of intent to withdraw the accommodations from the rental market.<sup>14</sup>

As a result of the myriad of state constraints on local rent regulations, including the prohibition on any controls on the rents following a voluntary vacancy, California municipalities’ rent control and stabilization ordinances already operate within a tightly regulated state law framework that protects landlords. The ordinances in question impose modest and reasonable limits on rent increases during an existing tenancy while regulating the grounds for eviction and mitigating the impacts from eviction.

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<sup>13</sup> *See, e.g.*, SMRCCA § 1801(c)(5).

<sup>14</sup> *See* Cal. Gov. code §§ 7060 et. seq.

**B. CALIFORNIA COUPLES RENT REGULATION WITH ROBUST INCENTIVES FOR HOUSING DEVELOPMENT AND REASONABLE RETURNS**

California's Legislature has long paired local rent-stabilization authority with state-level incentives designed to encourage housing production and increase profits, including exemptions for new construction, vacancy decontrol, and density and zoning incentives. The state has sought to ensure that rent regulation operates alongside mechanisms that allow developers and property owners to achieve reasonable returns and increased profitability from new housing development through measures like the Costa-Hawkins Rental Housing Act or density bonus law.

**C. LONGSTANDING STATE AND LOCAL FINANCIAL RELIEF FOR LANDLORDS**

Contrary to Appellants' contention, state and local government has long provided direct and indirect financial support to property owners in the rental market. For example, California passed Proposition 13 in 1978, which reduced property taxes for homeowners and lowered landlords' operating costs.<sup>15</sup> During the COVID-19 pandemic, governments expanded relief for property owners through temporary foreclosure protections, emergency rental-assistance programs that paid

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<sup>15</sup> *History of the Rent Control Debate in California*, No Place Like Home, <https://noplacelikehome.ucsc.edu/history-of-the-rent-control-debate-in-california/> last visited Jan, 22, 2026).

accrued rent debt directly to landlords, and statutory schemes that preserved unpaid rent as debt recoverable in court.<sup>16</sup>

**D. CHALLENGED PROVISIONS REFLECT WIDELY ADOPTED AND LONGSTANDING MUNICIPAL PRACTICE**

1. Rent Stabilization and Just-Cause Eviction Protections are Longstanding Features of California Housing Law

The rent ordinance provisions at issue reflect a regulatory framework that is neither novel nor isolated. On the contrary, rent stabilization, just-cause eviction protections, and related tenant safeguards have long been adopted by many California jurisdictions confronting persistent housing shortages and displacement pressures. Cities including Berkeley, Culver City, San Francisco, Santa Monica, and West Hollywood have enacted rent control or rent stabilization ordinances that regulate annual rent increases, restrict evictions absent just cause, and impose procedural and financial obligations on landlords.<sup>17</sup> These measures, many of which date back decades, represent a well-established approach to local housing regulation

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<sup>16</sup> S.B. 91, 2021–2022 Reg. Sess. (Cal. 2021); Assem. Bill 832, 2021–2022 Reg. Sess. (Cal. 2021); Cal. Code Civ. Proc. § 1179.03 (preserving COVID-19 rental debt as civil liability) (now repealed); *see also* Cal. Exec. Order No. N-28-20 (Mar. 16, 2020) (authorizing foreclosure protections).

<sup>17</sup> Berkely Municipal Code (“BMC”) ch. 13.76 (Rent Stabilization and Eviction for Just Cause Ordinance); S.F. Admin Code ch. 37 (Residential Rent Stabilization and Arbitration Ordinance); Santa Monica Rent Control Charter Amendment art. XVIII (SMRCCA); Santa Monica, Cal., Mun. Code (“SMMC”) ch. 4 (Relocation fees and tenant protections); West Hollywood Municipal Code (“WHMC”), tit. 17, art. V (Rental Rates and Rent Adjustments); Culver City Municipal Code (“CCMC”) ch. 15.09 (Rent Control and Tenant Protections).

rather than an outlier or unprecedented attack on landlords as Appellants claim Los Angeles has done. As described in more detail below in Section IV, these rent ordinances further reflect an intentional balance between tenant and landlord interests.

Most consequentially, the specific sections challenged are common across the jurisdictions submitting this briefing. For instance, Amici Curiae routinely impose caps on annual rent increases, often tied to CPI or a fixed percentage.<sup>18</sup> In addition, relocation assistance is required for specified no-fault evictions, which recognizes the concrete costs of displacement even when an eviction is lawful.<sup>19</sup> Furthermore, tenant-rights notices and disclosure requirements are mandated to ensure tenants receive accurate information regarding rent ceilings, eviction protections, and available remedies.<sup>20</sup> Finally, a growing number of jurisdictions, including Berkeley, limit eviction for non-payment where the alleged arrears fall below a defined Fair Market Rent threshold for a comparable unit size.<sup>21</sup> This reflects a policy judgment

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<sup>18</sup> BMC § 13.76.110; Berkeley Rent Stabilization Board Regulation 1013; S.F. Admin. Code § 37.3(a); SMRCCA § 1805(a); WHMC §§ 17.36.010; 17.36.020; CCMC § 15.09.215(B).

<sup>19</sup> BMC §§ 13.77, 13.76.130(A)(8); SMMC § 4.36; WHMC §§ 17.52.020(d); 17.52.110; CCMC 15.09.325.

<sup>20</sup> BMC § 13.76.080; S.F. Admin. Code § 37.9(c); SMRCCA § 1803(g); WHMC § 17.28.060.

<sup>21</sup> BMC § 13.76.130(A)(1) (as amended by Measure BB (Nov. 2022)) (barring eviction for nonpayment where rental debt is less than one month of HUD Fair Market Rent for a comparable unit).

that minor rent shortfalls should not trigger the most severe housing consequence. In short, the provisions at issue in this case closely track tenant-protection measures that have been widely adopted and administered throughout California's largest cities, many of which have been in place for decades.

2. Eviction Restrictions Are a Core and Necessary Component of Rent Regulation

Eviction restrictions are a critical component of rent control because rent-stabilization limits are ineffective if landlords can circumvent regulated rent ceilings through eviction rather than rent increases. The just-cause provisions, adopted by amici, are a longstanding feature of rent-stabilization laws that Appellants inaccurately portray as novel. In fact, these eviction restrictions prevent unjust or pretextual evictions.

Fair Market Rent based nonpayment eviction protection provisions illustrate this principle. Such provisions may affect the timing of eviction, but not the amount of rent owed. All rent arrears remain fully owed. While a tenant's continued occupancy is permitted so long as the lawful rent is paid, eviction may proceed if arrears exceed the statutory threshold or if some other just cause exists. Appellants' claims to the contrary are misplaced. These provisions do not extinguish landlords' contractual or property interests: unpaid rent, in fact, continues to accrue as enforceable civil debt, and eviction remains available once the statutory threshold is

met. In this way, Fair Market Rent limitations regulate eviction as a remedy without impairing the landlord's underlying entitlement to payment

3. Rent Stabilization Ordinances Commonly Cap Annual Rent Increases

a. Annual Rent Caps Are Tied to Inflation and Advance Broader Anti-Inflation Goals

Amici Curiae implement annual rent increases capped through various formulas tied primarily to inflation with most cities pegging allowable annual rent increases to a CPI. While precise formulas vary, the common structure among our cities reflects a shared policy judgement: rent adjustments should track general inflationary conditions and avoid amplifying inflationary pressures in the housing market. In this way, local rent-stabilization schemes align with broader state and national goals of moderating inflation, promoting predictability for both landlords and tenants, and preventing sudden rent shocks that would otherwise contribute to displacement and economic instability.

b. Vacancy Decontrol Ensures Regular Market Rate Resetting of Rents

Appellants' claim that rent regulation suppresses rental income is overstated. Since the enactment of Costa-Hawkins, many rental units throughout California have been rented at "market rates" at least once. For instance, in Santa Monica, 75.8% of controlled rental units have been rented at market rates and only 20.7% of controlled rental units are occupied by tenants who occupied the rental unit prior to

1999.<sup>22</sup> Although comparable figures are not tracked for Berkeley, the City's substantial student population strongly suggests that vacancy decontrol operates similarly and that many Berkeley units have likewise reset to market rents.

c. Administrative Fair Return Procedures Safeguard  
Investment Backed Expectations

The amici's rent stabilization regimes are paired with administrative processes that ensure landlords can seek relief should the landlord believe their regulated rents do not provide a fair or reasonable return. Landlords are provided with individualized administrative procedures to seek rent increases beyond automatic general adjustments, based on evidence of operating costs, capital expenditures, and other property-specific financial conditions, thereby ensuring access to a fair return.<sup>23</sup> These built-in safeguards are central to the constitutional analysis under

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<sup>22</sup> City of Santa Monica, *Santa Monica Rent Control Board ANNUAL REPORT* (2024), [https://www.smgov.net/uploadedFiles/Departments/Rent\\_Control/About\\_the\\_Rent\\_Control\\_Board/Staff\\_Reports/2025/RcB041025\\_Item\\_12A\\_RCB\\_2024\\_Annual\\_Report.pdf](https://www.smgov.net/uploadedFiles/Departments/Rent_Control/About_the_Rent_Control_Board/Staff_Reports/2025/RcB041025_Item_12A_RCB_2024_Annual_Report.pdf), at 10.

<sup>23</sup> Santa Monica: Regulations §§ 4100–4112 (authorizing individual rent-adjustment petitions, including increases necessary to ensure a fair return, resolved through noticed administrative proceedings); BMC § 13.76.120 (authorizing individual rent adjustments based on operating costs, capital improvements, and fair-return considerations); WHMC §§ 17.44.010–17.44.030 (allowing landlords to file a rent adjustment application to achieve a just and reasonable return based on net operating income principles and the right to an appeals process)); S.F. Admin. Code §§ 37.7, 37.8(e)(4) (providing for individual rent adjustments based on increased operating and maintenance costs and capital improvements); CCMC § 15.09.220 (providing for individual rent adjustments if necessary to earn a fair and reasonable return with respect to operations costs) and § 15.09.225 (providing for 50% of eligible capital improvement costs passed through to tenants).

*Penn Cent. Transp. Co.*,<sup>24</sup> because they preserve a landlords' reasonable investment-backed expectations and confirm that rent-stabilization regimes function as flexible regulatory systems rather than confiscatory takings.

### III. THE HOMELESSNESS CRISIS IN CALIFORNIA

California cities are confronting a homelessness crisis. In 2025, more than 72,000 people experienced homelessness in the County of Los Angeles, including 43,699 in the City of Los Angeles itself.<sup>25</sup> In 2024, more than 60,000 people turned to homelessness services for the first time, and the region still faces a deficit of more than 485,000 affordable housing units.<sup>26</sup> In the same year, more than 10,600 people in San Diego County experienced homelessness.<sup>27</sup> In 2024, homelessness reached record highs. Of the nation's 771,500 people experiencing homelessness, over 187,000 (24%) were in California.<sup>28</sup>

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<sup>24</sup> *Penn Cent. Transp. Co. v. City of New York*, 438 U.S. 104, 124 (1978).

<sup>25</sup> Nina Raffio, *Homelessness in L.A. drops for second year in a row: 4 takeaways from the 2025 count USC* (July 23, 2025), <https://today.usc.edu/homelessness-in-l-a-drops-for-second-year-in-a-row-4-takeaways-from-the-2025-count/>

<sup>26</sup> Raffio, *supra* note 25.

<sup>27</sup> Kate Murphy, *San Diego's homelessness is outpacing housing options*, AXIOS San Diego, (May 13, 2025), <https://www.axios.com/local/san-diego/2025/05/13/homelessness-outpacing-shelter-supply-affordable-housing>.

<sup>28</sup> Sean Cremin, *Homelessness Hits Record High in California, Jumps Dramatically in Rest of US*, Public Policy Inst. of Cal. (Mar. 25, 2025), <https://www.ppic.org/blog/homelessness-hits-record-high-in-california-jumps-dramatically-in-rest-of-us/#:~:text=Californians%20have%20consistently%20cited%20homelessness,coun ts%20in%202023%20and%202024>.

This devastating reality can be linked to several primary drivers, such as the rise of housing costs and the lack of affordable housing. For example, California's median values for owner-occupied housing have increased 56% since 1990 (from \$456,000 to \$753,000) and rents have increased 39% (from \$1,300 to \$1,800).<sup>29</sup> California's housing values remain more than twice as high as the national median, and the state's rents remain about 50% higher.<sup>30</sup> For example, between 2017 and 2022, the City of Sacramento and the City of Fresno each saw their median rent go up 47% and 41%, respectively, while seeing their homeless populations increase by 144% and 104%, respectively.<sup>31</sup>

The regional director at PATH San Diego, a nonprofit organization that helps people end their homelessness has stated, "Homelessness is not the result of someone's bad choices. It's a direct result of the high cost of housing and severe shortage of affordable options."<sup>32</sup> Indeed, among residents who moved to Los Angeles County in the past year, 29% said they were forced to relocate due to rising

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<sup>29</sup> Hans Johnson & Eric McGhee, *Three Decades of Housing Challenges in the Golden State*, Public Policy Inst. of Cal. (Dec. 2, 2024), <https://www.ppic.org/blog/three-decades-of-housing-challenges-in-the-golden-state/#:~:text=California's%20overall%20homeownership%20rate%20has%20not%20changed%20much%20in%20the%20last%20three%20decades&text=High%20housing%20costs%20have%20left,time%20to%20the%20same%20extent>.

<sup>30</sup> Johnson & McGhee, *supra* note 29.

<sup>31</sup> Alex Horowitz, Chase Hatchett & Adam Staveski, *How Housing Costs Drive Levels of Homelessness*, Pew (Aug. 22, 2023), <https://www.pew.org/en/research-and-analysis/articles/2023/08/22/how-housing-costs-drive-levels-of-homelessness>.

<sup>32</sup> Murphy, *supra* note 27.

rents, which is a significant increase from 20% in 2023 and 13% in 2022.<sup>33</sup> Academic research has consistently found that, over time, homelessness is tied to and driven by housing costs in an area, which can be expressed in terms of rents, rent-to-income ratios, price-to-income ratios, or home prices.<sup>34 35</sup>

A study from 2024 reflects that, in California, per 100 extremely low-income renter households, only 24 affordable and available rental homes are available.<sup>36</sup> This statistic puts California as one of the states with the lowest number of affordable and available rental homes.<sup>37</sup>

Rent stabilization ordinances, such as the ones enacted by the amici, have been proven time and again to alleviate these trends to keep rents stable and reduce homelessness.

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<sup>33</sup> Illelana Wachtel, *Homelessness, high rents weigh heavily on Angelenos*, USC Dornsife study finds, USC Dornsife, (Oct. 24, 2024), <https://dornsife.usc.edu/news/stories/labarometer-homelessness-and-high-rents-weigh-heavily-on-angelenos/>.

<sup>34</sup> Horowitz, Hatchett & Staveski, *supra* note 31.

<sup>35</sup> See, e.g., Margot Kushel, MD & Tiana Moore, PhD, *Toward a New Understanding: California Statewide Study of People Experiencing Homelessness*, UCSF Benioff Homelessness and Hous. Initiative, 32 (June 2023), [https://homelessness.ucsf.edu/sites/default/files/2023-06/CASPEH\\_Report\\_62023.pdf](https://homelessness.ucsf.edu/sites/default/files/2023-06/CASPEH_Report_62023.pdf).

<sup>36</sup> See National Low Income Hous. Coal., *supra* note 6.

<sup>37</sup> See National Low Income Hous. Coal., *supra* note 6.

**IV. RENT STABILIZATION ORDINANCES EFFECTIVELY ADDRESS THE HOMELESSNESS CRISIS, WHILE PROMOTING LANDLORD AND NEIGHBORHOOD STABILITY**

**A. RENT STABILIZATION ORDINANCES EFFECTIVELY ADDRESS THE HOMELESSNESS CRISIS**

Research on housing intervention shows that rent stabilization policies can reduce displacement and stabilize the community. For example, research in California rental markets, such as San Francisco have shown that tenants in rent-controlled apartments were significantly more likely to stay in their homes compared to noncontrolled housing.<sup>38</sup> Researchers in Santa Monica found that their program was successful in extending the tenure lengths of renters as well.<sup>39</sup> Indeed, economists have stated that, “Evidence from San Francisco shows that rent control helps stem tenant displacement in a high-cost market.”<sup>40</sup> Empirical studies further

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<sup>38</sup> Diamond, R., McQuade, T., Qian, & Franklin Qian, *The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco*, *American Econ. Review*, 109(9): 3365-3394 (2019),

<https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.20181289>

<sup>39</sup> Ned Levine, J. Eugene Grigsby III & Allen David Heskin, *Who Benefits from Rent Control? Effects on Tenants in Santa Monica, California*, *J. of the Am. Plan. Ass'n* 56 (2), 140-152 (1990).

<sup>40</sup> Federal Hous. Fin. Agency, *Tenant Protections for Enterprise-Backed Multifamily Properties Request for Input*, [peoplesaction.org](https://peoplesaction.org), 2 (July 28, 2023), [https://peoplesaction.org/wp-content/uploads/Economist-Sign-on-Letter\\_-FHFA-RFI-Response-1.pdf](https://peoplesaction.org/wp-content/uploads/Economist-Sign-on-Letter_-FHFA-RFI-Response-1.pdf).

show that rent regulations lower housing costs for households living in regulated units.<sup>41</sup>

## **B. RENT STABILIZATION ORDINANCES PROMOTE NEIGHBORHOOD STABILITY**

California research further emphasizes that rent stabilized cities see more stable communities, with longer tenures, stronger neighborhood networks, and lower displacement of seniors, families with children, and communities of color.<sup>42</sup> Policy summaries of California rent control research (including USC, UCLA, UC Berkeley) note that updated rent control and rent stabilization measures “stabilize the housing affordability crisis and prevent people from falling into homelessness,” particularly in high-cost metro areas.<sup>43</sup>

Statewide data also show that California’s moderated rent efforts coincide with stronger stability outcomes. In 2024, homelessness increased by about 3% in

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<sup>41</sup> Manual Pastor, Vanessa Carter & Maya Abood, *Rent Matters: What are the Impacts of Rent Stabilization Measures?*, USC Dornsife Equity Resch. Inst. (Oct. 2018), <https://dornsife.usc.edu/eri/wp-content/uploads/sites/41/2023/01/2018RentMattersPERE.pdf>.

<sup>42</sup> Nicole Montojo, Stephen Barton & Eli Moore, *Opening the Door for Rent Control: Toward a comprehensive Approach to Protecting California’s Renters, Othering & Belonging* Inst. Berkeley (Sept. 18, 2018), [https://belonging.berkeley.edu/sites/default/files/haasinstitute\\_rentcontrol.pdf?file=1&force=1](https://belonging.berkeley.edu/sites/default/files/haasinstitute_rentcontrol.pdf?file=1&force=1).

<sup>43</sup> Patrick Range McDonald, *California Has Most Rent-Burdened Tenants in US. We Need Rent Control*, Housing is a Human Right (Jan. 6, 2023), <https://www.housingisahumanright.org/california-has-most-rent-burdened-tenants-in-us-we-need-rent-control/>.

California versus more than 18% nationally, and unsheltered homelessness increased by less than 0.45% in California compared with nearly 7% nationwide.<sup>44</sup> This drop in homelessness can translate into fewer encampments near homes, schools, and businesses, precisely the sorts of visible conditions that research shows can depress nearby sale prices or slow appreciation.<sup>45</sup>

A 2016 study found that when previously cost-burdened renters gained access to affordable housing, less costly primary care services increased, and costly emergency department visits decreased – leading to an overall 12% decrease in Medicaid costs.<sup>46</sup> In a 2019 survey of 500 medical professionals, 100% reported having patients express concerns about the cost of housing, and 92% of patients

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<sup>44</sup> Cal. Dep’t of Hous. and Cmty. Dev., *California Outperforms The Nation In Reducing The Growth Of Homelessness, State Sees Largest Decrease In Veteran Homelessness In The Nation More Shelter, More Access, More Accountability* (Dec. 27, 2024), <https://www.hcd.ca.gov/about-hcd/newsroom/california-outperforms-nation-reducing-growth-of-homelessness-state-sees-largest-decrease-veteran-homelessness-nation>.

<sup>45</sup> Dani Sandler, *What is the Cost of Homeless Encampments to a City’s Residents? Evidence from Los Angeles*, Dani’s Reading Notes (Jul. 16, 2024), [https://danisreadingnotes.substack.com/p/what-is-the-cost-of-homeless-encampments?utm\\_source=post-email-title&publication\\_id=875769&post\\_id=146469325&utm\\_campaign=email-post-title&isFreemail=true&r=garjy&triedRedirect=true&utm\\_medium=email](https://danisreadingnotes.substack.com/p/what-is-the-cost-of-homeless-encampments?utm_source=post-email-title&publication_id=875769&post_id=146469325&utm_campaign=email-post-title&isFreemail=true&r=garjy&triedRedirect=true&utm_medium=email) (finding that residential properties sold in the City of Los Angeles between March 2016 and August 2022, which had homeless encampments within 0.3 miles, sold, on average, for 3.14% less than the properties would have otherwise).

<sup>46</sup> Nat’l Low Income Hous. Coal., *Study Finds Affordable Housing Reduces Health Care Costs* (Mar. 7, 2016), [https://nlihc.org/resource/study-finds-affordable-housing-reduces-health-care-costs#:~:text=Share,\\$936%2C000%20for%20these%201%2C625%20individuals](https://nlihc.org/resource/study-finds-affordable-housing-reduces-health-care-costs#:~:text=Share,$936%2C000%20for%20these%201%2C625%20individuals).

advised to reduce stress reported that personal finances were their biggest stressor.<sup>47</sup>

Rent stabilization helps teachers, health service providers, service workers, school bus drivers, and others remain near their jobs instead of being pushed into long distance commutes or forced moves, which reduces turnover costs for employers and improves continuity of essential services that benefit the entire community.<sup>48</sup>

These statistics reflect that rent stabilization ordinances can stabilize neighborhoods, which can lead to tangible benefits for property owners.

**C. RENT STABILIZATION ORDINANCES ALLOW LANDLORDS TO RECEIVE STEADY, RELIABLE RENTAL INCOME**

Appellants frame rent stabilization ordinances as mechanisms that make it impossible for their properties to survive economically. The reality is that rent stabilization ordinances offer landlords predictable, inflation linked rent increases that help reduce the uncertainty that coincides with long term investment. Set rates align expectations between landlords and tenants about future rent trajectories and aid in maintenance of budgeting, debt service, capital improvements, and fluctuating market conditions.

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<sup>47</sup> The Network for Pub. Health Law, *Healthy And Affordable Hous. Fact Sheet Rent Control and Stabilization*, <https://www.networkforphl.org/wp-content/uploads/2021/11/Fact-Sheet-Rent-Control-and-Stabilization.pdf> (last visited Jan. 22, 2026).

<sup>48</sup> See Montojo, Moore & Barton, *supra* note 42.

After capital expenditures, the largest expenses and losses for most Los Angeles landlords are vacancies.<sup>49</sup> Indeed, rent control, if anything, prevents vacancies. Tenants who would otherwise be priced out of rent control jurisdictions can stay in their homes over a long term, protecting landlords from having an unrented unit. Since 2014, rent stabilized properties have been far more successful in filling the average unit than non-rent stabilized properties.<sup>50</sup> In San Francisco, Santa Monica, Berkeley, and other California cities, tenants in rent-controlled apartments were significantly more likely to stay in their homes compared to noncontrolled housing. Since rent stabilized landlords have less tenant turnover than non-rent stabilized landlords, rent stabilized landlords experience less lost rent when units are vacant and costs to refurbish units for new tenants.<sup>51</sup> The pandemic has had a more lasting negative effect on occupancy in non-rent stabilized properties, where vacancy rates remain elevated.<sup>52</sup>

Furthermore, rent stabilization ordinances benefit and accommodate the unique needs of small “mom-and-pop” property owners, like Appellants, whose livelihoods often depend on predictable income streams. Small landlords, defined as those with two to four units, account for the plurality of the RSO housing

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<sup>49</sup> City of LA, *supra* note 2, at 31.

<sup>50</sup> City of LA, *supra* note 2, at 6.

<sup>51</sup> City of LA, *supra* note 2, at 5.

<sup>52</sup> City of LA, *supra* note 2, at 6.

inventory at 30 percent,<sup>53</sup> and often prioritize long-term tenants due to their lack of liquidity that larger corporate landlords often enjoy.<sup>54</sup> Vacancy has a depressing effect on smaller landlords, who generally have less access to capital.<sup>55</sup>

Given that smaller landlords particularly suffer from having unrented units, rent control strikes a balance by reducing displacements, while still ensuring landlords a predictable and sustainable income stream. Data from the Los Angeles Housing Department registration database indicates that “mom and pops” are not overburdened by rent regulations compared to their corporate counterparts. In fact, the average rents for smaller landlords of rent-stabilized properties, like Appellants, increased from \$1,502 in 2017 to \$1,876 by January 2023, an increase of 25 percent, compared to the 24.3 percent increase in the CPI despite there being a rent freeze during the pandemic.<sup>56</sup> Private landlords voluntarily enter the housing market with an understanding that housing laws exist, including rent stabilization ordinances, and that these laws will offer them stable revenue, reasonable returns, and other benefits.

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<sup>53</sup> City of LA, *supra* note 2, at 86.

<sup>54</sup> Katherine Lucas McKay, Bianca Lopez & Steve Holt, *Small Independent Landlords: At the Intersection of Affordable Housing and Business Ownership Strategies*, Asset Funders Network, 4, [https://assetfunders.org/wp-content/uploads/AFN\\_Small-Independent-LandlordsDated-2023.pdf](https://assetfunders.org/wp-content/uploads/AFN_Small-Independent-LandlordsDated-2023.pdf) (last visited Jan. 22, 2026).

<sup>55</sup> McKay, Lopez & Holt, *supra* note 54, at 4.

<sup>56</sup> City of LA, *supra* note 2, at 13.

**D. RENT STABILIZATION ORDINANCES REFLECT A DELIBERATE INTENT TO BALANCE TENANT AND LANDLORD INTERESTS**

Rent stabilization ordinances are not one-sided measures favoring tenants at the expense of property owners. Rather, rental stabilization ordinances reflect a deliberate effort to provide stability for both tenants and property owners. These efforts shape the cities where they are implemented. About 650,000 of Los Angeles' 1.5 million households live in units covered by the Los Angeles Rent Stabilization Ordinance, meaning rent stabilization directly shapes conditions for most renters in the city.<sup>57</sup>

For tenants, rent stabilization ordinances are designed to address involuntary displacement and homelessness caused by sudden or excessive rent increases in high-cost housing markets. By moderating the pace of rent growth and establishing predictable tenancy rules, these ordinances promote housing stability and reduce the risk that households will be forced from their homes due to circumstances beyond their control. This stability serves not only individual tenants, but broader public interests in community continuity, homelessness prevention, and efficient use of public resources.

At the same time, rent stabilization ordinances incorporate multiple safeguards to protect landlords' economic interests. All amici allow for annual rent

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<sup>57</sup> City of LA, *supra* note 2, at 27.

increases during a tenancy and provide an administrative process to ensure each landlord receives a just and reasonable return.<sup>58</sup> These provisions conform to state constitutional requirements guaranteeing landlords a fair return on their investment.<sup>59</sup>

## V. CONCLUSION

Local governments in a state that is experiencing a critical shortage of affordable housing have enacted reasonable rent regulations as one tool to address this crisis. Provisions such as the ones at issue in this matter balance the interests between tenants and landlords, adhere to state constitutional and statutory constraints, and are necessary and appropriate measures to combat homelessness, rising housing costs, and the lack of affordable housing.

The amici respectfully request the Court to affirm the District Court's holding.

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<sup>58</sup> See Cal. Codes and Reguls., *supra* notes 17 and 23.

<sup>59</sup> See *Birkenfeld*, 17 Cal.3d at 152.

Dated: January 27, 2026

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Feedback or questions about this form? Email us at [forms@ca9.uscourts.gov](mailto:forms@ca9.uscourts.gov)

**UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT**

**Form 34. Disclosure Statement under FRAP 26.1 and Circuit Rule 26.1-1**

Instructions for this form: <http://www.ca9.uscourts.gov/forms/form34instructions.pdf>

**9th Cir. Case Number(s)**

Name(s) of party/parties, prospective intervenor(s), or amicus/amici filing this form:

Under FRAP 26.1 and Circuit Rule 26.1-1, I make the following disclosures:

1. I disclose the following information required by FRAP 26.1(a) and/or Circuit Rule 26.1-1(b) for any nongovernmental corporation, association, joint venture, partnership, limited liability company, or similar entity<sup>1</sup> which is a party, prospective intervenor, or amicus curiae in any proceeding, or which the government identifies as an organizational victim below in section 2 of this form,<sup>2</sup> or which is a debtor as disclosed below in section 3 of this form.

a. Does the party, prospective intervenor, amicus, victim, or debtor have any parent companies? Parent companies include all companies that control the entity directly or indirectly through intermediaries.

Yes       No

If yes, identify all parent corporations of each entity, including all generations of parent corporations (*attach additional pages as necessary*):

b. Is 10% or more of the stock of the party, prospective intervenor, amicus, victim, or debtor owned by a publicly held corporation or other publicly held entity?

Yes       No

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<sup>1</sup> A corporate entity must be identified by its full corporate name as registered with a secretary of state's office and, if its stock is publicly listed, its stock symbol or "ticker."

<sup>2</sup> To the extent it can be obtained through due diligence.

If yes, identify all such owners for each entity (*attach additional pages as necessary*):

N/A

2. In a criminal case, absent good cause shown, the government must identify here any organizational victim of the alleged criminal activity:

N/A

3. In a bankruptcy case, the debtor, the trustee, or, if neither is a party, the appellant must identify here each debtor not named in the court of appeals caption:

N/A

4. Are you aware of any judge serving on this Court who participated at any stage of the case, either in district court, administrative proceedings, or in related state court proceedings?

Yes  No

If yes, list the name of the judge and the case name, case number, and name of court of the related proceedings:

I certify that (*select only one*):

this is the first disclosure statement filed in the above-referenced case by the above-identified party/parties, prospective intervenor(s), or amicus/amici, and this disclosure statement complies with FRAP 26.1 and Circuit Rule 26.1-1.

the party/parties, prospective intervenor(s), or amicus/amici submitting this supplemental disclosure statement has previously filed a compliant disclosure statement in this case, and this updated disclosure statement discloses changed or additional information.

I have reviewed this form, FRAP 26.1, and Circuit Rule 26.1-1 and, to the best of my knowledge, have no information to disclose at this time.

**Signature**  **Date**

(use "s/[typed name]" to sign electronically-filed documents)

