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15 **IN THE UNITED STATES DISTRICT COURT**
16 **FOR THE CENTRAL DISTRICT OF CALIFORNIA – EASTERN DIVISION**

17 MELVIA HARRIS; ROBERTA) Case No. 5:24-cv-02679-JGB (SHKx)
18 KNIGHTEN,) *Honorable Jesus G. Bernal*
19)
20 Plaintiffs,) **DEFENDANT CITY OF LOS**
21) **ANGELES’S REPLY IN SUPPORT**
22 vs.) **OF MOTION TO DISMISS UNDER**
23) **FRCP 12(B)(1) AND 12(B)(6)**
24 CITY OF LOS ANGELES,) [ECF NO. 19]
25)
26 Defendant.) Hearing Date: Monday, May 19, 2025
27) Time: 9:00 am
28) Location: Riverside Courthouse,
Courtroom 1

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs’ stated goal is to overturn precedent affirming the lawfulness of the City’s landlord-tenant regulations. Without law on their side, Plaintiffs’ response to the City’s points is to ask the Court to move the goalposts and overlook decades of a long line of consistent authority. The Court should decline.

Plaintiffs’ takings claims fail on the merits. No per se taking claim can be made for the practical reason that Plaintiffs willingly gave leaseholds—a legal property right—in their rental properties to third parties. The City does not appropriate this property right merely by regulating it, so the City does not owe compensation on a per se basis. *Cedar Point Nursey v. Hassid*, 594 U.S. 139 (2021) and *Yee v. City of Escondido*, 503 U.S. 519 (1992), the cases cited within them, and the cases that follow plainly say so. Plaintiffs’ desired rule—“a per se violation of the Takings Clause occurs when the government prevents property owners from excluding third parties from their properties” (Opp’n at 1)—is ill-suited for landlord-tenant laws. If the City is empowered to govern rental housing, then it is able to regulate Plaintiffs’ “right to exclude” without automatically having to pay landlords. Next, even under the facts alleged, not one of the *Penn Central* factors shows that any regulatory taking occurred. Procedural problems also require dismissal of the Complaint.

Plaintiffs’ equal protection claim also fails. It is long time-barred. Plaintiffs allege discrimination based on the RSO’s¹ property classifications—its distinction between new and old properties—which the City enacted in 1979. In any event, Plaintiffs’ claim also fails on the merits because the City’s policy choice to exempt new buildings is rational.

Finally, Plaintiffs’ First Amendment claim fails when reviewed under *Zauderer*. The RSO compels commercial speech about the laws governing the rental-housing business. Plaintiffs do not dispute that speech is factual, non-burdensome, and advances

¹ The City uses the same abbreviations used in its opening brief.

1 the City’s substantial government interests. Though Plaintiffs dislike rent control, that
2 does not make factual information about what the law is “controversial.”

3 The Court should apply binding law and dismiss the Complaint.

4 **II. ARGUMENT**

5 **A. The Complaint alleges no viable taking cause of action**

6 **1. *The Fair Market Rent Eviction Restriction, 4% Rent-Increase Cap,***
7 ***and Relocation-Fee Requirement do not take property per se***

8 Plaintiffs’ causes of action alleging the FMR Eviction Restriction (Count I), 4%
9 Rent-Increase Cap (Count II), and Relocation-Fee Requirement (Count IV) work per se
10 takings fail because of existing U.S. Supreme Court and Ninth Circuit precedent. Mot. at
11 10–15, 20, 23. As explained in the City’s motion, the upshot of cases like *Cedar Point*,
12 *Yee*, and their forebears is the City does not take property per se just by regulating the
13 landlord-tenant relationship, such as controlling rent increases or evictions. *Id.* at 11–13.
14 That is because landlords willingly gave leaseholds to their tenants (*i.e.*, they invited
15 tenants). By regulating an extant relationship and property right (leaseholds), the City
16 has not appropriated Plaintiffs’ property for itself or third parties. Nor has the City
17 required Plaintiffs to house their tenants “in perpetuity” because the RSO contains
18 numerous grounds for ending a leasehold. *Id.* at 14 (citing LAMC § 151.09.A).

19 In response, Plaintiffs contend that the Supreme Court in *Cedar Point* and
20 *Alabama Association of Realtors v. Department of Health & Human Services*, 594 U.S.
21 758, 765 (2021), announced a new per se rule: a taking occurs when the government
22 “interfere[s] with the owner’s right to exclude others[.]” Opp’n at 10.² Neither case
23 supports such a sweeping claim. While both discuss the importance of the right to
24 exclude, neither case says that *any* interference with that right amounts to a per se taking.
25 *Alabama Realtors* does not even address a takings claim. *Cedar Point* simply reiterates

26
27 ² *Sheetz v. County of El Dorado, Cal.*, 601 U.S. 267 (2024)—which Plaintiffs suggest
28 extends *Cedar Point* (*see* Opp’n at 10, 16)—addresses a branch of the Court’s takings
law applying to land use permits called exactions. It does not help Plaintiffs.

1 the Court’s longstanding takings jurisprudence and applies it to the “right of access”
2 regulation challenged there. U.S. at 149, 152. That regulation allowed uninvited union
3 organizers to “physically invade the growers’ property” by “travers[ing] it at will for
4 three hours a day, 120 days a year”—granting the equivalent of an involuntary easement.
5 *Id.* *Cedar Point* reiterates hornbook takings law: when the government *appropriates*
6 property, courts “assess [that action] using a simple, *per se* rule: The government must
7 pay for what it takes” (even if the government’s appropriation is temporary, intermittent,
8 or slight). 594 U.S. at 148. However, when the government “imposes regulations that
9 restrict an owner’s ability *to use* his own property, a different standard applies”: the
10 multifactor test in *Penn Central*. *Id.* (emphasis added). And again, to explain the
11 difference, *Cedar Point* discusses a slew of cases involving the government appropriating
12 property rights (*per se* takings) and those involving the government simply limiting those
13 rights (not takings). *Id.* at 156 (citing, *e.g.*, *PruneYard Shopping Ctr. v. Robins*, 447 U.S.
14 74 (1980) (regulation of licenses); 150–52 (discussing appropriations of easements and
15 servitudes); 153 (“compensation is mandated when a leasehold is taken . . . even when
16 that use is temporary”).³

17 Although Plaintiffs claim that the City “places almost all of its chips” on *Yee*
18 (Opp’n at 11), the Supreme Court, and subsequent appellate courts, has repeatedly ruled
19 elsewhere that “statutes regulating the economic relations of landlords and tenants are not
20 *per se* takings.” *F.C.C. v. Fla. Power Corp.*, 480 U.S. 245, 252 (1987) (citing cases); *see*

21
22 ³ Plaintiffs repeatedly conflate the property right tenants have, a leasehold, with other
23 forms of authorized “physical incursions” like licenses (Opp’n at 12, 13), which are
24 revocable at will—unlike leaseholds. *See, e.g., Spinks v. Equity Residential Briarwood*
25 *Apts.*, 171 Cal. App. 4th 1004, 1040 (2009). Although this might explain why Plaintiffs
26 insist that any interference with the “right to exclude” is dispositive, that is no reason to
27 adopt their overreaching rule. Further, no one doubts the right to exclude and, as the City
28 explained, *Yee* acknowledges this right, too. Mot. at 11. That, however, does not mean a
landlord’s right to exclude is boundless. When landlords “voluntarily open their property
to occupation by others, [they] cannot assert a *per se* right to compensation based on their
inability to exclude particular individuals.” *Yee*, 503 U.S. at 528, 531.

1 *also Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 440 (1982) (same);
2 *Ballinger v. City of Oakland*, 24 F.4th 1287, 1292–93 (9th Cir. 2022). Over a hundred
3 years ago, in *Block v. Hirsh*, 256 U.S. 135, 156 (1921), Justice Holmes recognized that
4 “[h]ousing is a necessary of life”; “letting . . . [it] is as much a business as any other”; and
5 “public exigency will justify the legislature in restricting property rights in land to a
6 certain extent without compensation.” These cases speak for themselves. Plaintiffs
7 cannot just brush aside, in a footnote, four different cases, involving eleven different
8 judges, as “unpublished and nonprecedential Ninth Circuit decisions engaging in the
9 same mistaken *Yee*-based analysis.” Opp’n at 12 n.4.

10 Nor can Plaintiffs so easily dismiss the ample reasoning in *Ballinger*, a published
11 case finding that Oakland’s regulation requiring relocation assistance to evict faultless
12 tenants—which is just like the City’s—was *not* a per se taking. *Ballinger* likewise
13 discusses *Cedar Point*’s distinction between appropriations of property—a per se
14 taking—and regulations of property, which are analyzed under *Penn Central*. 24 F.4th at
15 1292 & n.2. *Ballinger* faithfully recites its forebears’ holdings: “legislative enactments
16 ‘regulating the economic relations of landlord and tenants are not *per se* takings.” *Id.* at
17 1293 (quoting *Fla. Power Corp.*, 480 U.S. at 252). It also reiterates that “[t]he
18 government effects a taking only where it requires the landowner to submit to the
19 physical occupation’ of his property.” *Id.* at n.3. But because the owners there “invited
20 their tenants,” no such occupation occurred. *Id.* Ultimately, the Court saw “little
21 difference between lawful regulations, like rent control” and Oakland’s regulation
22 because the landlords voluntarily chose to lease their property. *Id.* at 1293. *Ballinger*
23 plainly teaches more than just about the “physical taking of . . . money.” Opp’n at 23.

24 To use Plaintiffs’ words, what is “mistaken” instead is their reliance on two
25 out-of-circuit panel decisions: *Heights Apartments, LLC v. Walz*, 30 F.4th 720 (8th Cir.
26 2022) and *Darby Development Co. v. United States*, 112 F.4th 1017 (Fed. Cir. 2024).
27 Opp’n at 10. While the Ninth Circuit has repeatedly followed *Yee*’s teachings, both cases
28 distinguish *Yee*. The Ninth Circuit correctly applies the precedent. As to *Heights*

1 *Apartments*, the panel opinion engages in basically the same incorrect reading of *Yee* as
2 Plaintiffs do here (at Opp’n at 11). The panel held that the mobile home park ordinance
3 in *Yee* was distinguishable from the Minnesota COVID-19 eviction restriction because,
4 among other things, the mobile home park ordinance “neither deprived landlords of their
5 right to evict nor compelled landlords to continue leasing the property past the leases’
6 termination.” 30 F.4th at 733. That is not true of the ordinance in *Yee*. 503 U.S. at 524,
7 525. Based on the panel’s misreading of *Yee*, four judges said they would have granted
8 rehearing en banc. 39 F.4th 479, 480 (8th Cir. 2022) (Colloton, J., dissenting from denial
9 of rehearing en banc). The Ninth Circuit has expressly rejected the panel’s reasoning,
10 agreeing with Judge Colloton’s dissent. *GHP Mgmt. Corp. v. City of L.A.*, No. 23-55013,
11 2024 WL 2795190, *1 n.2 (9th Cir. May 31, 2024).⁴ As to *Darby*, the opinion elides the
12 difference, explained in *Cedar Point* and *Yee*, between appropriating a property right (the
13 access easement in *Cedar Point*) and regulating an existing one (the leasehold in *Yee*).
14 *See Darby*, 112 F.4th at 1034. The United States has also petitioned for en banc review
15 in *Darby*, which remains pending. Pet. for En Banc Reh’g, No. 22-1929 (Fed. Cir. Jan.
16 10, 2025), ECF No. 92.

17 To reiterate: the three RSO features challenged here do not “appropriate” any
18 property right for tenants that they did not already have (a leasehold)—that leasehold
19 includes their “right to exclude.” The RSO also does not give tenants a leasehold in
20 perpetuity. Instead, it *regulates* the leasehold and includes numerous means for
21 terminating that relationship, including when tenants do not pay rent. LAMC § 151.09;
22 *contra* Opp’n at 12 n.3. Plaintiffs therefore miss the point when they argue that it is no
23 answer that “landlords can simply stop renting altogether” or that the “duration of the
24 appropriation” “bears only on the amount of compensation.” Opp’n at 13, 14. The City
25

26
27 ⁴ The Eighth Circuit also later disposed the case when it found the defendants immune
28 from suit and affirmed judgment on the pleadings for the defendants. No. 23-2686, 2024
WL 4850745, *1 (8th Cir. Nov. 21, 2024) (per curiam).

1 has not appropriated anything. The ability for landlords to exit the rental market and the
2 regulation’s “duration” bear on whether the *Penn Central* factors show a taking—not on
3 whether a per se taking occurred. *Yee*, 503 U.S. at 531 (rejecting owner’s argument that
4 ability to rent property has been conditioned on forfeiting right to “compensation for
5 physical occupation” because no physical taking occurred in the first place); *Tahoe-*
6 *Sierra Preserv. Council, Inc. v. Tahoe Reg. Planning Agency*, 535 U.S. 302, 342 (2002)
7 (“duration of the restriction” considered as part of regulatory takings analysis); *see also*
8 *Ballinger*, 24 F.4th at 1293 (“[W]hen a person voluntarily surrenders . . . property, the
9 State has not *deprived* the person of a constitutionally protected interest.”).

10 The City warned that Plaintiffs’ proposed per se rule is unworkable given the many
11 reasons why a government might need to regulate rental housing. Mot. at 15. Plaintiffs’
12 response is telling. In their eyes, the City is powerless to regulate evictions short of
13 providing the eviction process. Opp’n at 14 n.5. Plaintiffs do not offer any principled
14 limits for their rule, let alone any substantial reason to depart from decades-old precedent.

15 **2. The Complaint alleges no viable regulatory taking claim**

16 Because the City’s regulations govern landlord-tenant relationships, *Penn Central*
17 applies. The City argued that Plaintiffs failed to state a claim for each count alleging a
18 regulatory taking in the alternative (Counts I, II, and IV). Mot. at 15–18, 20, 23. As to
19 the 4% Rent-Increase Cap, in particular, the claim is unripe. *Infra* Section II.A.3. In
20 response, Plaintiffs point to the same, spare factual allegations pled in the Complaint that
21 show no regulatory taking under the relevant *Penn Central* factors:

22 Economic Impact of the City’s Regulation: Plaintiffs’ brief confirms that they
23 have not alleged any facts showing the City’s law diminishes the value of their properties
24 to the extent required under *Penn Central*. Instead, they allege difficulties with cash
25 flow. Opp’n at 14. That is insufficient. Again, “the mere loss of some income because
26 of regulation does not itself establish a taking.” *Colony Cove Props., LLC v. City of*
27 *Carson*, 888 F.3d 445, 451 (9th Cir. 2018). “Economic impact is determined [instead] by
28 comparing the total value of the affected property before and after the government

1 action.” *Id.* Although Plaintiffs believe they have no burden to plead a “specific
2 diminution in value” (Opp’n at 15 n.6), the “formula for determining economic impact is
3 binding at all stages of the litigation process.” *GHP*, 2024 WL 2795190, at *2 (affirming
4 dismissal for failure to allege economic impact). Plaintiffs must plead sufficient facts to
5 support a regulatory taking claim. *See Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009);
6 *Moore v. Costa Mesa*, 886 F.2d 260, 262 (9th Cir. 1989). Their failure to do so defeats it.

7 Interference with Distinct Investment-Backed Expectations: The City argued that
8 the RSO provisions at issue here do not disturb Plaintiffs’ objective, investment-backed
9 expectations because Plaintiffs operate in a highly regulated field and both invested when
10 rent control was already in place. Mot. at 17. That tilts this factor in the City’s favor.
11 *See MHC Fin. Ltd. v. City of San Rafael*, 714 F.3d 1118, 1128 (9th Cir. 2013) (no
12 disruption of investment-backed expectations when landowner purchased property
13 subject to rent control and law later amended); *Guggenheim v. City of Goleta*, 638 F.3d
14 1111, 1120 (9th Cir. 2010) (factor “fatal” when owner purchased mobile home park with
15 rent control already in place). Plaintiffs respond by mischaracterizing the FMR Eviction
16 Restriction as “denying” evictions for nonpayment of rent (Opp’n at 15) and stating they
17 thought that rent control would not evolve (*id.* at 18 (arguing the City “deviated” from its
18 formula)) or that it might end (*id.* at 23 (“no property owner reasonably expects that the
19 government will forever require them to pay hefty” sums to recover property)). That
20 does not show frustration of *reasonable* expectations.

21 Character of the Government Action: Each of the RSO provisions challenged here
22 is part of a public program that adjusts “the burdens of economic life to promote the
23 common good.” Mot. at 18. Plaintiffs’ response is to characterize these laws as
24 authorizing “unwanted” “invasions”—as though the City forced Plaintiffs to be landlords
25 or chose their tenants. Opp’n at 16, 18, 23. The RSO regulates the landlord-tenant
26 relationship (a negative restriction) after Plaintiffs already invited occupants; it is not a
27 physical invasion or direct government appropriation of property. *Horne v. Dep’t of Ag.*,
28

1 576 U.S. 350, 361 (2015) (affirming “the ‘longstanding distinction’ between government
2 acquisitions of property and regulations”). This factor also favors the City.

3 **3. Plaintiffs’ regulatory taking claim is unripe**

4 Plaintiffs do not deny that neither has applied for any rent adjustment under the
5 RSO. *See* Opp’n at 19. Therefore, any regulatory takings claim as to the 4% Rent
6 Increase Cap (Count II) is unripe. For the Court to evaluate whether the Cap goes “too
7 far” under *Penn Central*, we first need to know how far the regulation goes—*i.e.*,
8 whether Plaintiffs may obtain a rent increase under LAMC § 151.07. Mot. at 4, 19.
9 Plaintiffs’ response is that the City has taken a final position because the adjustment
10 process does not purport to “permit rent adjustments just ‘to bring the rents to market
11 rate.’” Opp’n at 19. If Plaintiffs’ lawsuit is an *as-applied* challenge, whether or not the
12 rent adjustment procedure *generally* raises rents to “market” is not the standard. Whether
13 or not the City’s regulation worked *a taking* of Plaintiffs’ properties requires finality on
14 what rents could be for Plaintiffs. Mot. at 19. They cannot dodge a procedure designed
15 to adjust rents to specific amounts based on their specific situation to make their specific
16 properties more profitable.⁵

17 **4. Plaintiffs’ challenge to the Relocation Assistance Requirement is**
18 **untimely**

19 In their Complaint, Plaintiffs allege that the RSO “took” property by including a
20 general obligation to pay relocation assistance when landlords evict for no-fault reasons.
21 Compl. ¶¶ 70, 71, 136, 138–40. In their opposition, Plaintiffs confirm their objection is
22 one to the law, not any specific payment that Plaintiffs must make to any particular tenant
23 that reduced the value of their property. Opp’n at 24. Based on that theory, their takings
24 claim ripened and the statute of limitations began running as soon as Plaintiffs became

25 _____
26 ⁵ Otherwise, without undergoing this process, Plaintiffs also do not suffer a concrete
27 harm. They further ignore decisions by the City granting adjustments of over \$300 and
28 \$500 a month under the procedures. *Zuleta v. Hous. & Cmty. Inv. Dep’t of L.A.*, No.
B302939, 2021 WL 753397, at *3, *5 (Cal. Ct. App. Feb. 26, 2021).

1 aware of the obligation and an impact on their property occurred: when they became
2 property owners. Mot. at 22. Thus, the claim had been ripe for over a decade when
3 Plaintiffs finally challenged the law in 2024.

4 **B. Plaintiffs’ equal protection claim fails**

5 The City explained that the distinction the RSO draws for properties and
6 landlords—*i.e.*, those who own properties built before October 1978 and those who own
7 newer ones—passes rational basis review. Mot. at 21. During a period of high inflation
8 in the 1970s, the City enacted the RSO to solve the urgent problem of exorbitant rent
9 increases. At the same time, the City made a policy choice to exempt developments built
10 *after* the ordinance’s enactment to encourage new housing production. *Id.* at 2, 21.
11 Plaintiffs respond that the City’s rationale “flunks” deferential review because older
12 properties are “more likely to require expensive repairs and upkeep.” Opp’n at 20; *see*
13 *also* Compl. ¶¶ 124–26. But that does not detract from the City’s rationale: the absence
14 of rent control on post-1978 properties “encourage[s] the construction of new rental units
15 in order to expand the City’s stock of affordable housing.” *City of L.A. v. Los Olivos*
16 *Mobile Home Park*, 213 Cal. App. 3d 1427, 1438 (1989).

17 To escape dismissal of their equal protection claim, Plaintiffs have to manufacture,
18 again, a new test: they claim the “right to exclude” is a “fundamental” constitutional
19 right so that strict scrutiny applies. Opp’n at 20. Plaintiffs fail to cite a single case for
20 that extraordinary proposition, and ignore well-established law. In the modern era, courts
21 routinely subject property regulations, like rent control, to rational basis review. *E.g.*,
22 *Pennell v. City of San Jose*, 485 U.S. 1, 14 (1988) (applying rational basis review to San
23 Jose rent control law); *Hotop v. City of San Jose*, 982 F.3d 710, 717 (9th Cir. 2020)
24 (same). Plaintiffs’ alleged support—*Cedar Point*’s discussion about the importance of
25 the right to exclude in the context of a *takings* opinion—is insufficient to toss out
26 applicable equal protection law. *See Nollan v. Cal. Coastal Comm’n*, 483 U.S. 825, 834
27 n.3 (1987) (“[O]ur opinions do not establish that these standards are the same as those
28

1 applied to due process or equal protection claims. To the contrary, our verbal
2 formulations in the takings field have generally been quite different.”).

3 Finally, Plaintiffs’ challenge is also time-barred. The Complaint argues repeatedly
4 that Plaintiffs’ disparate treatment is based on the RSO’s distinction between old and new
5 buildings. Compl. ¶¶ 122–28. That disparate treatment occurred beyond the two-year
6 statute of limitations because it started in 1979 and existed when Plaintiffs obtained their
7 properties no later than in 2009. Mot. at 20. The only reason why the 4% Rent-Increase
8 Cap—allegedly the only feature they challenge now (Opp’n at 22)—applies to Plaintiffs
9 is because of the RSO’s property classifications. Just because the RSO’s *rent increases*
10 fluctuate each year does not mean that the alleged discrimination has changed to trigger
11 an independent equal protection violation. *Bird v. State of Hawaii*, 935 F.3d 738, 749
12 (9th Cir. 2019) (“continuing impact from [a] past violation is not actionable”); *RK*
13 *Ventures, Inc. v. City of Seattle*, 307 F.3d 1045, 1058 (9th Cir. 2002) (“in determining
14 when an act occurs for statute of limitations purposes, we look at when the ‘operative
15 decision’ occurred and separate from the operative decisions those inevitable
16 consequences that are not separately actionable”) (citations omitted); *contra* Opp’n at 2.
17 In response, Plaintiffs do not explain why a 4% ceiling from 2024 is so invidious now,
18 but not the yearly 3% caps spanning almost a decade (from 2009 to 2019) during their
19 ownership. RJN Ex. N, at 258. The City’s imposition of a 4% ceiling in 2024 is just a
20 “continuing impact” of a past act—passing the RSO—not an independent act renewing
21 the statute of limitations.

22 **C. The Complaint alleges no First Amendment violation**

23 Plaintiffs argue that the notice required under LAMC § 151.05.I (the “Renter
24 Protections Notice Requirement”) is not commercial speech because it does not
25 “advertis[e] products or even [is] motivated by profit.” Opp’n at 25. The test is not that
26 simple. “[S]peech that does not propose a commercial transaction on its face can still be
27 commercial speech.” *Ariix, LLC v. NutriSearch Corp.*, 985 F.3d 1107, 1115 (9th Cir.
28 2021). “[T]he potential commercial nature of speech does not hinge solely on whether

1 the [speaker] has an economic motive In other words, context matters.” *Greater*
2 *Baltimore Ctr. for Pregnancy Concerns, Inc. v. Mayor & City Council of Baltimore*, 721
3 F.3d 264, 285–86 (4th Cir. 2013) (citing *Central Hudson Gas & Elec. Corp. v. Pub. Serv.*
4 *Comm’n of N.Y.*, 447 U.S. 557, 561–62 (1980)). “[T]hat context includes the viewpoint
5 of *the listener*, for ‘[c]ommercial expression not only serves the economic interest of the
6 speaker, but also assists consumers and furthers the societal interest in the fullest possible
7 dissemination of information.’” *Id.* (emphasis added).

8 Here, considered in the context of the ongoing landlord-tenant relationship and
9 rental housing business, the notice is commercial speech. From the tenants’ viewpoint,
10 the notice directly assists their ongoing contractual relationship with their landlords by
11 informing them of the law. The notice also “furthers the societal interest in the fullest
12 possible dissemination of information” by providing tenants with a purely factual
13 statement of the law. That the mandated disclosure might not always be simultaneous
14 with a commercial transaction—for example, the entry into or renewal of a lease, the
15 negotiation of a contract dispute, or the termination of the landlord-tenant relationship—
16 does not render the speech non-commercial. In *CTIA-The Wireless Association v. City of*
17 *Berkeley, California*, 928 F.3d 832, 838 (9th Cir. 2019) (“*CTIA II*”), the Ninth Circuit
18 analyzed a law as compelling commercial speech when the law required the
19 dissemination of posters or handouts informing prospective cell phone purchasers about
20 radiation risks. Displaying the compelled statements on a poster in a “prominent[]”
21 location did not necessarily inform consumers at the same time they made a purchase (*id.*
22 at 838), just as displaying a notice in a “conspicuous” place does not necessarily inform
23 tenants about the RSO when they negotiate their lease (LAMC § 151.05.I). In context,
24 though, both statements provide information to the consumer related to a (potential)
25 commercial transaction.

26 For those reasons, Section 151.05.I’s requirement should be analyzed under
27 *Zauderer’s* test for commercial speech. Plaintiffs do not dispute the required notice is
28 purely factual, not unduly burdensome, and satisfies a substantial governmental interest,

1 but argue that eviction and rent control are “controversial.” Opp’n at 25. But Plaintiffs’
2 disagreement with the law does not make what the law says “controversial”: the notice
3 states the law as it stands, and does not convey, for example, disputed or misleading
4 information or “a message fundamentally at odds with [the landlords’] mission.” See
5 *Cal. Chamber of Commerce v. Council for Educ. & Research on Toxics*, 29 F.4th 468,
6 478 (9th Cir. 2022) (warning controversial because “it elevates one side of a legitimately
7 unresolved scientific debate”); *Nat’l Ins. of Family & Life Advocates v. Becerra*, 585 U.S.
8 755, 768 (2018) (“*NIFLA*”) (factual statement controversial when it forced the clinic to
9 convey a message fundamentally at odds with its mission). That a “purely factual
10 statement [] can be tied in some way to a controversial issue” does not mean it is “for that
11 reason alone, controversial.” *CTIA II*, 928 F.3d at 845. Instead, the relevant question is
12 whether “the compelled statement took sides in a heated political controversy, forcing the
13 [speaker] to convey a message fundamentally at odds with its mission.” *Id.* Here, the
14 notice does not involve a heated political controversy like abortion. *NIFLA*, 585 U.S. at
15 768. And the notice does not take sides. Instead, it informs the tenant (*and* the landlord)
16 of the law governing their relationship. Mot. at 24. Plaintiffs do not contend that their
17 mission is to evict or charge rent contrary to the law such that the notice’s message is
18 “fundamentally at odds with its mission.” Therefore, the notice is uncontroversial
19 commercial speech that is constitutional under *Zauderer*.

20 **III. CONCLUSION**

21 For the foregoing reasons, the City requests the Court grant its motion to dismiss.
22

23 Respectfully submitted,
24 OFFICE OF THE LOS ANGELES CITY ATTORNEY

25 Dated: April 14, 2025

26 By: /s/ Elaine Zhong
27 ELAINE ZHONG, Deputy City Attorney

28 Attorneys for Defendant CITY OF LOS ANGELES

L.R. 11-6.2 CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for Defendant City of Los Angeles, certifies that this brief is 12 pages, which:

 complies with the word limit of L.R. 11-6.1.

X complies with the page limits (12 pages) set by the Court’s Standing Order dated January 7, 2025 (ECF No. 17).

Respectfully submitted,

Dated: April 14, 2025

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