

- 6) Authorizes any combination of two or more cities or counties to enter into an agreement to create an area housing authority and establishes processes for each governing body to appoint commissioners to the PHA.
- 7) Establishes processes for appointments of commissioners to the PHA by the elected members of the governing body.
- 8) Authorizes a governing body of a city or county to declare itself to be the commissioners of the PHA and to establish a housing commission whose function is to review and make recommendations on all matters to come before the authority prior to authority action. Authorizes PHAs to do all of the following:
 - a) Acquire, lease, and operate housing projects for persons of low income and housing developments for persons of low income, as specified;
 - b) Provide for the construction, reconstruction, and improvement of all or part of any housing project.
 - c) Provide financing for the acquisition, construction, rehabilitation, refinancing, or development of dwelling accommodations for persons of low income.
 - d) Develop, rehabilitate, or finance housing projects or participate in the development, rehabilitation, or financing of housing projects; or purchase, sell, lease, own, operate, or manage housing projects so assisted, as specified.

This bill:

- 1) Defines “covered housing” as a federal housing program administered by HUD, including, but not limited to, any of the following:
 - a) Project-based rental assistance;
 - b) Public housing, as specified; and
 - c) Housing Choice Vouchers, including special purpose vouchers, such as Mainstream Vouchers, Stability Vouchers, the Housing Choice Voucher Homeownership Program, Veteran’s Affairs Supportive Housing Vouchers, the Family Unification Program, the Foster Youth to Independence Program, or any other federal programs as specified.
- 2) Defines “covered housing provider” as a public housing authority (PHA), private-owner, property manager, or other entity that administers or is subsidized to provide housing through a covered housing program.

- 3) Defines “work requirements” as any requirements to complete work activities, such as working, pursuing education, participating in a work or job training program, volunteering, or doing community service. Specifies work activities include, but are not limited to, work activities defined in federal law.
- 4) Prohibits, unless required by federal law, a covered housing provider from establishing or implementing any rules, policies, or procedures that impose term limits or work requirements as a condition of initial or continued eligibility for any covered housing or that impact the amount of the rent subsidy or assistance provided to covered housing tenants.
- 5) Authorizes a covered housing provider to establish or implement a voluntary employment or job training program, if participation does not impact the applicant’s or tenant’s initial or continued eligibility, for the rent subsidy or assistance or the amount of the rent subsidy or assistance, and the voluntary program has one or more of the following goals for participants:
 - a) Increasing personal income;
 - b) Generating financial savings;
 - c) Home ownership;
 - d) Increasing financial well-being and creditworthiness;
 - e) Increasing educational attainment;
 - f) Acquiring job skills; and,
 - g) Expanding employment options.
- 6) Exempts an authority participating in the Moving to Work demonstration that has work requirements or time limits that comply with regulations established by the United States Department of Housing and Urban Development (HUD) from the prohibition in 1).
- 7) Specifies this bill does not limit or alter the operation of the Family Self-Sufficiency program or the Public Housing Community Service requirement under federal law.

Background

Federal housing program history. Federal housing assistance programs in the U.S. began during the Great Depression, when widespread unemployment and housing instability led Congress to pass the U.S. Housing Act. That law created the modern public housing program and established a federal-local partnership in which the federal government would fund housing for low-income households, while locally created PHAs would own and manage the housing. In 1965, Congress created the Department of Housing and Urban Development (HUD) to

consolidate federal housing programs and oversee their administration. Over time, federal policy shifted away from direct construction of public housing toward subsidizing private housing, most notably through the Section 8 program established by the Housing and Community Development Act of 1974. The Housing and Community Development Act of 1974 introduced tenant-based and project-based rental assistance.

Today, federal housing assistance operates through a decentralized system in which HUD sets national policy, provides funding, and enforces program requirements, while local and state entities administer the programs on the ground. PHAs remain the primary administrators of public housing and Housing Choice Vouchers, handling tenant eligibility, rent calculations, and property management. Additionally, state entities, like the California Department of Housing and Community Development (HCD) and other local governments administer certain HUD programs, including the HOME program and Community Development Block Grants (CDBG). Private landlords also play a role by participating in voucher and project-based programs under federal contracts.

Federal assistance programs. There are several major program types administered by HUD. The Housing Choice Voucher program is the largest and most widely used, providing tenant-based assistance that allows low-income households to rent housing in the private market. Participants typically pay a portion of their income towards rent and the rental assistance covers the remainder up to certain program limits. Public housing consists of housing developments owned and operated by PHAs with federal funding supporting their operation and maintenance. Project-based rental assistance provides subsidies tied to specific units through long-term contracts between HUD and property owners, helping to preserve affordability in designated developments. HUD also administers a range of special purpose voucher programs that target specific populations or needs. These include vouchers for non-elderly persons with disabilities (Mainstream Vouchers), veterans experiencing homelessness (HUD-VASH), and families involved in child welfare or experiencing homelessness through programs such as Family Unification Program vouchers. These special purpose vouchers are generally tenant-based but are reserved for defined groups and often paired with supportive services.

Comments

- 1) *Author's statement.* "Housing assistance should be a pathway to stability. At a time when California is already facing a housing affordability crisis and rising homelessness, the federal government is proposing policies that would allow families to lose their homes simply because they can't meet rigid work

requirements or arbitrary time limits. These changes don't reflect the reality of people's lives, and they risk pushing our most vulnerable residents further into instability. AB 2128 draws a clear line by ensuring that access to housing in California remains based on need, not punitive mandates. This bill protects families, seniors, and people with disabilities from losing the housing they rely on, and it affirms a simple principle: we should be working to keep people housed, not creating new barriers that make it easier for them to fall into homelessness.”

- 2) *PHAs in California.* In California, PHAs serve as the primary local administrators of federal housing assistance programs under the oversight of HUD. Their core functions include administering rental assistance, determining eligibility and rent contributions, managing waiting lists, overseeing compliance with federal requirements, and, in some cases, owning or preserving affordable housing developments. While PHAs may operate public housing, the most widely used program in the state is the Housing Choice Voucher program, authorized under Section 8 of the U.S. Housing Act. The Housing Choice Voucher program provides tenant-based rental assistance that allows households to rent units in the private market. As of September 2025, 90 PHAs were responsible for administering Housing Choice Voucher programs in the state. According to the Center on Budget and Policy Priorities, over 1 million people in 560,000 California households use federal rental assistance to afford modest housing. However, four in ten low-income people in the state are experiencing homelessness or pay over half their income for rent. Most do not receive federal rental assistance due to limited funding.
- 3) *Proposed federal rule change.* In March 2026, HUD proposed a rule that would give PHAs and certain property owners *the option* to impose work requirements and time limits on federal housing assistance programs, including public housing and Section 8 related programs. The rule would apply primarily to non-elderly, non-disabled households, and it would allow local agencies to require “work-eligible” adults to participate in employment, job training, education, or similar activities for up to 40 hours per week as a condition of continuing to receive assistance. As currently drafted, the proposal does not mandate these policies nationwide. Instead, the rule would allow PHAs and private property owners participating in federal housing assistance programs to decide whether and how to implement the work requirements.

The proposed rule would also allow agencies and owners to set term limits on housing assistance, generally no shorter than two years, after which households could lose assistance and would need to reapply through standard waiting lists. The rule remains in the proposal stage and is open for public comment before

any final action is taken. The sponsors are not sure when final adoption could occur, but it could be as early as July 2026.

- 4) *On the brink.* Federal rental assistance programs covered by the Administration's proposed time limits currently aid roughly 9 million low-income people.¹ Under the existing rules, households may receive assistance for as long as they remain eligible, and many participants leave the programs within several years, although seniors and people with disabilities often rely on assistance for longer periods. The proposed rule would allow PHAs to impose a two-year limit on assistance for households that do not include a senior or a person with a disability. While the proposal does not clearly state when the limit would begin, estimates indicate that if it were implemented today, approximately 3.3 million people nationwide would lose assistance. In California, an estimated 306,800 people, including 137,800 children, could lose housing assistance under the federal rule, including 192,200 people living in working households (*i.e.*, households with at least one member reporting wage income).²
- 5) *Prohibiting work requirements.* This bill prohibits, unless required by federal law, PHAs in California from making term limits and work requirements conditions of initial or continued eligibility for any covered federal housing program. As noted previously, HUD has proposed allowing PHAs across the country to impose term limits as short as two years and work requirements of up to 40 hours per week. The impacts of such changes, if adopted by PHAs, could be most acute in jurisdictions with challenging rental markets. According to the California Housing Partnership's *California's Affordable Housing Needs Report 2026*, renters must earn three times the minimum wage to afford the average rent. Low-income households termed out of participation in housing assistance programs would be at an even greater risk of experiencing homelessness. Research has shown families with children that received time-limited assistance were twice as likely to be homeless as those with ongoing assistance over a three-year period. In fact, the same study found that the outcomes of families receiving time-limited assistance resembled the outcomes of families that had received no assistance.³

Imposing work requirements can also create practical barriers to compliance with little evidence of their effectiveness. Caregiving responsibilities, health issues, and the availability of childcare could further make it difficult for participants to consistently meet required hours. Additionally, PHAs would

¹ <https://www.cbpp.org/research/housing/federal-rental-assistance>

² <https://www.cbpp.org/research/housing/rental-assistance-time-limits-would-place-more-than-3-million-people-half-of-them#estimated-number-of-people-who-cbpp-anchor>

³ <https://www.huduser.gov/portal/sites/default/files/pdf/Family-Options-Study-Full-Report.pdf>

need to develop systems to track compliance and provide support services, which could create administrative challenges and increase the risk that eligible households lose assistance due to reporting or documentation issues rather than actual noncompliance.

This bill does not prohibit participation in any voluntary employment or job training program; PHAs can still implement voluntary programs focused on increasing personal income, generating financial savings, and increasing educational attainment. This bill creates flexibility for PHAs in California to partner with the tenants that they serve without imposing program requirements that have shown to increase low-income households' risks of experiencing homelessness.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, June 3rd, 2026)

SUPPORT:

California Rural Legal Assistance Foundation, INC.
Centro Legal De LA Raza
Children's Advocacy Institute
Disability Rights California
Fair Housing Advocates of Northern California
Housing and Economic Rights Advocates (HERA)
Housing California
Inner City Law Center
Justice in Aging
Legal Aid Society of San Diego
National Alliance to End Homelessness
National Housing Law Project
Project Sentinel
Public Advocates
Public Interest Law Project
Tenants Together
Western Center on Law & Poverty

OPPOSITION:

None Received.

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