
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 474 (Ward) - Housing discrimination: nonprofit home-sharing program: eligibility for public social services

Version: July 14, 2025

Policy Vote: JUD. 12 - 0, HUMAN S. 5 - 0

Urgency: No

Mandate: Yes

Hearing Date: August 18, 2025

Consultant: Liah Burnley

Bill Summary: AB 474 provides that income received from renting units as a landlord in a nonprofit home-sharing program shall not be considered as income or assets to determine eligibility and benefit amounts for public social services.

Fiscal Impact:

- The California Department of Social Services (CDSS) indicates that there are no state operations costs because this bill would only require CDSS to seek federal waivers, which is absorbable work under current staffing levels. CDSS reports that this bill will result in a local assistance impact. This bill would increase benefit costs for a portion of the California Work Opportunities and Responsibility to Kids (CalWORKs) program and the Cash Assistance Program for Immigrants (CAPI) recipients by exempting any income received through renting bedrooms or units as a landlord in a nonprofit home-sharing program from consideration as income or assets for the purposes of determining eligibility and benefit amounts for public social services.

For CalFresh and Supplemental Security Income/ State Supplementary Payment (SSI/SSP), federal regulations are in direct conflict with the provisions of this bill. This bill would require the Department to seek all available federal waivers to implement the provisions of this bill for CalFresh and SSI/SSP. As such, this fiscal analysis contemplates scenarios where the federal government both denies and approves the waivers for CalFresh and SSI/SSP.

If federal waivers are not approved, AB 474 would still apply to state-only programs like CalWORKs, CAPI, and the Trafficking and Crime Victims Assistance Program (TCVAP), which do not need federal approval to implement changes. By excluding rental income from eligibility calculations, the bill would expand access to these programs and lead to new General Fund costs.

If all waivers are approved for all programs, total costs, assuming extended CAPI, are as follows:

First Year	Ongoing
\$2,778,000	\$5,052,500

If all waivers are denied, which CDSS anticipate is the most likely scenario, total costs are as follows:

First Year	Ongoing
\$2,167,500	\$3,500,000

CDSS also notes that if amendments were adopted to exclude CalWORKs, CalFresh, and CFAP, the following costs would apply:

First Year	Ongoing
\$1,692,500	\$2,500,000

- CalFresh: There is no local assistance fiscal impact to CalFresh unless a waiver is approved by the United State Department of Agriculture. If the waiver is approved, this bill would result in a local assistance impact of \$104,000 total funds (\$26,000 GF) for every 100 new CalFresh cases. This is until 2028 when the cost sharing ratio for benefits changes due to House Resolution 1.
- SSI/SSP: There is no local assistance fiscal impact to SSI/SSP unless a waiver is approved by the Social Security Administration. If the waiver is approved, this bill will result in a local assistance impact of \$507,000 total funds (\$146,000 GF) in the first year of implementation and \$1.0 million TF (\$292,000 GF) ongoing.
- CalWORKs: This bill would result in a local assistance fiscal impact of \$982,000 total funds in the first year of implementation and ongoing annual costs of \$2.0 million total funds for every 100 new CalWORKs families.
- CalSAWS: This bill would result in a local assistance fiscal impact of \$448,500 total funds in the first year of implementation for automation updates to CalSAWS.
- TANF Block Grant Funding: California's annual \$3.7 billion federal TANF block grant can be used flexibly within the CalWORKs program. It is fully allocated within the existing and proposed state budgets. As such, new costs for the CalWORKs program are considered General Fund (GF) cost impacts. State GF costs may be mitigated to the extent TANF funding is not fully expended in any particular year, or if one of the CalWORKs Subaccounts has sufficient revenue available to support grant costs.
- Base CAPI: This bill would result in a local assistance fiscal impact of \$717,000 GF in the first year of implementation and ongoing annual costs of \$1.4 million GF.
- Extended CAPI: This bill would result in a local assistance fiscal impact of \$737,000 GF in the first year of implementation and ongoing annual costs of \$1.5 million GF.

- Additional CDSS Programs: This bill would also result in minimal impact to the Refugee Cash Assistance Program (RCA) and the TCVAP. RCA and TCVAP programs follow the eligibility and administrative rules of CalWORKs; therefore, the impact to the income and asset eligibility for CalWORKs recipients would also apply to RCA and TCVAP clients. Due to the size of RCA and TCVAP population, the cost is expected to be very minimal.

Background: Home-sharing programs match homeowners and primary tenants with extra bedrooms to individuals seeking affordable housing while providing ongoing support such as case management and conflict mediation. Home-sharing helps low-income older homeowners generate supplemental income, allowing them to stay housed and age in place, while also offering renters more stable and affordable housing options. According to the author, this bill aims to simplify and incentivize the process of renting out empty bedrooms through non-profit home share programs.

Proposed Law:

- Provides that, to the extent permitted by federal law, income received through renting bedrooms or units as a landlord in a nonprofit home-sharing program shall not be considered as income or assets for the purposes of determining eligibility and benefit amounts for public social services.
- Requires the State Department of Social Services to seek all available federal waivers and approvals necessary to exclude the income for the purposes of calculating household income under CalFresh and the Supplemental Security Income/State Supplementary Program for the Aged, Blind, and Disabled.
- Defines the following:
 - “Nonprofit home-sharing program” as a program that meets all of the following:
 - Administered by a nonprofit organization or governmental entity;
 - Provides a service that helps to match a person or household, who has one or more unoccupied bedrooms in their owner-occupied home, one or more unoccupied bedrooms in their rental unit of which they are the primary tenant, or up to two separate vacant units on an owner-occupied property with one or more unrelated tenants;
 - Services, including, but not limited to, case management, intake, introductions, background checks, and third-party mediation, are delivered at no cost to participants. No cost includes, but is not limited to, fees for any aspect of participation in the program, revenue derived from facilitating payments between participants at any stage of the matching process, and fees for additional services beyond, but adjacent to, shared housing services provided by the program;
 - Lease agreements executed as a result of a match are for a term of no less than 30 days; and,

- Provides ongoing case management to mitigate conflict and promote housing stability for both participating tenants and landlords. Case managers shall be full-time staff who are available to provide support at least five days a week.
- “Nonprofit organization” as any private, nonprofit organization that qualifies for exempt status under Section 501(c)(3) of the United States Internal Revenue Code of 1986.

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