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THIRD READING

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Bill No: AB 474  
Author: Ward (D)  
Amended: 9/5/25 in Senate  
Vote: 21

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SENATE JUDICIARY COMMITTEE: 12-0, 7/1/25

AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern,  
Wahab, Weber Pierson, Wiener

NO VOTE RECORDED: Valladares

SENATE HUMAN SERVICES COMMITTEE: 5-0, 7/7/25

AYES: Arreguín, Ochoa Bogh, Becker, Durazo, Limón

ASSEMBLY FLOOR: 77-0, 6/2/25 - See last page for vote

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**SUBJECT:** Housing discrimination: nonprofit home-sharing program:  
eligibility for public social services

**SOURCE:** LeadingAge California

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**DIGEST:** This bill exempts income received through renting bedrooms or units in a nonprofit home-sharing program from consideration as income or assets for the purposes of determining an individual's eligibility and benefit amounts for a variety of public social services, and adds an exception to the prohibition on discrimination in refusing to rent or lease a portion of an owner-occupied single-family house when the owner is renting the portion of their home as a landlord in a nonprofit home-sharing program, the owner rents to no more than two roomers, boarders, or tenants, the living areas within the dwelling unit are shared, and the owner complies with prohibitions on discriminatory notices, statements, and advertisements.

*Senate Floor Amendments* of 9/5/25 require the Department of Health Care Services (DHCS) implement the provision exempting income received through renting bedrooms or units in a nonprofit home-sharing program for the purposes of

eligibility under the Medi-Cal program no sooner than January 1, 2027; specify that DHCS should only implement that provision to the extent consistent with federal law, upon any necessary federal approvals, and if federal financial participation under the Medi-Cal program is available and not otherwise jeopardized; and require, notwithstanding specified provisions of the Government Code, DHCS to implement that provision by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions, without taking any further regulatory action.

## **ANALYSIS:**

Existing law:

- 1) Establishes various public social service programs that provide eligible low-income recipients with certain benefits, including, but not limited to, cash assistance under CalWORKS, nutrition assistance under CalFresh, and health care services under Medi-Cal. (Welfare and Institutions Code, *passim*.)
- 2) Under the Fair Employment and Housing Act (FEHA), prohibits housing discrimination on the basis of certain protected characteristics and defines “discrimination” to include refusal to sell, rent, or lease housing accommodations. (Government Code (Gov. Code) § 12927(c).)
- 3) Provides that housing “discrimination” under FEHA does not include refusal to rent or lease to a person as a roomer or boarder living within an owner-occupied single-family home, provided that no more than one roomer or boarder is to live within the household and the owner complies with prohibitions on discriminatory advertisements regarding the rental. (Gov. Code § 12927(c)(2)(A).)
- 4) Provides that housing “discrimination” does not include using words that state or imply that the housing being advertised is available only to persons of a particular sex when shared living areas in a single dwelling unit is involved. (Gov. Code § 12927(c)(2)(B).)
- 5) Provides that the hiring of a room by a lodger on a periodic basis within an owner-occupied dwelling may be terminated by either party giving written notice to the other party or their intention to terminate, as specified. Defines “lodger” as a person contracting with the owner of a dwelling unit for a room or room and board within a dwelling unit personally occupied by the owner, where

the owner retains a right of access to all areas occupied by the lodger and has overall control of the dwelling unit. (Civ. Code § 1946.5.)

This bill:

- 1) Makes various findings regarding the income of older Californians or those that experience disabilities, housing and homelessness, and home sharing.
- 2) Adds an exception to housing discrimination under FEHA for a landlord's refusal to rent or lease a portion of an owner-occupied single-family house to a person as a roomer, boarder, or tenant living within the household, when:
  - a) the owner is renting the portion of their home as a landlord in a nonprofit home-sharing program, as defined in statute;
  - b) the owner rents to no more than two roomers, boarders, or tenants within the household;
  - c) the living areas within the dwelling unit are shared between the owner and the roomer, boarder, or tenant; and
  - d) the owner complies with FEHA provisions that prohibit discriminatory notices, statements, and advertisements.
- 3) Excludes, to the extent permitted by federal law and notwithstanding any other law, income received through renting bedrooms or units as a landlord in a nonprofit home-sharing program from an individual's income or assets for the purposes of eligibility and benefit amounts for a variety of public social services, as specified.
- 4) Requires, for the purposes of its provisions described in (3), the Department of Social Services to seek all available federal waivers and approvals necessary to exclude the income received through renting bedrooms or units as a landlord in a nonprofit home-sharing program for the purposes of calculating household income under CalFresh and the Supplemental Security Income/State Supplementary Program for the Aged, Blind, and Disabled (SSI/SSP).
- 5) Requires the Department of Health Care Services (DHCS) to implement the provision exempting income received through renting bedrooms or units in a nonprofit home-sharing program for the purposes of eligibility under the Medi-Cal program no sooner than January 1, 2027.

- 6) Specifies that DHCS should only implement the provision relating to the Medi-Cal program described in (5) to the extent consistent with federal law, upon any necessary federal approvals, and if federal financial participation under the Medi-Cal program is available and not otherwise jeopardized.
- 7) Requires, notwithstanding specified provisions of the Government Code, DHCS to implement the provisions described in (5) regarding eligibility for the Medi-Cal program by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions, without taking any further regulatory action.
- 8) Defines the following terms for the purposes of its provisions described in (3), above:
  - a) “nonprofit home-sharing program” to mean a program that meets all of the following:
    - i. administered by a nonprofit organization or governmental entity;
    - ii. 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;
    - iii. provides services, including, but not limited to, case management, intake, introductions, background checks, and third-party mediation, that 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;
    - iv. lease agreements executed as a result of a match is for the term of no less than 30 days;
    - v. 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.
  - b) “nonprofit organization” to mean any private, nonprofit organization that qualifies for exempt status under Section 501(c)(3) of the United States Internal Revenue Code of 1986.

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

According to the Senate Appropriations Committee:

- 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:

<b>First Year</b>	<b>Ongoing</b>
\$2,778,000	\$5,052,500

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

<b>First Year</b>	<b>Ongoing</b>
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\$2,167,500	\$3,500,000
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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

**SUPPORT:** (Verified 9/04/25)

LeadingAge California (source)

AARP

All Home, a Project of Tides Center

California Apartment Association

California Commission on Aging

CalPACE

Christian Church Homes

County of San Diego

Disability Rights California

Eskaton

Front Porch

Home Match, a Front Porch Community Service

Housing Action Coalition

Volunteers of America Northern California and Northern Nevada, Inc.

**OPPOSITION:** (Verified 9/04/25)

None received

**ARGUMENTS IN SUPPORT:**

According to LeadingAge, which is the sponsor of AB 474:

California is facing an unprecedented housing crisis. The state needs approximately 1.3 million additional affordable housing units to meet demand, and over 187,000 Californians experience homelessness on any given night. The majority of renters are burdened by excessive housing costs, with nearly one-third paying over 50% of their income toward rent. This crisis disproportionately affects older adults, who are both the fastest-growing population experiencing homelessness and the most housing cost-burdened. By 2040, California's older adult population is projected to reach 11.4 million, making senior housing solutions an urgent priority.

Home-sharing programs provide an innovative and immediate way to alleviate this crisis. These 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 at no cost to participants. While home-sharing programs are typically open to adults of all ages, they are especially popular among older adults, who often fall into a situation where they are “housing rich but cash poor”. Older adults have the highest homeownership rate of any age cohort in California. At the same time, older Californians have the lowest incomes. Many older Californians live on fixed incomes like Social Security, which have not increased sufficiently with rising costs. For many of these older Californians who have seen their fixed incomes outpaced by costs, they are put in the impossible position of deciding whether to forgo necessities like food or healthcare, or leave their home that they love and have lived in stably for many years. 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. Additionally, nonprofit home-sharing providers have found that participating in their programs can provide valuable social connection, especially among older adults, who are disproportionately impacted by isolation and loneliness.

Assembly Bill 474 takes key steps to facilitate home-sharing by ensuring that, to the extent allowable under federal law, additional income received by low income landlords through renting out rooms through nonprofit home-sharing programs does not impact their eligibility for or the benefit amount they receive through government social services programs including but not limited to Medi-Cal, CalFresh and IHSS.

## **ARGUMENTS IN OPPOSITION:**

ASSEMBLY FLOOR: 77-0, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste

Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo,  
Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis,  
Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Lackey, Lowenthal

Prepared by: Ian Dougherty / JUD. / (916) 651-4113  
9/8/25 21:13:51

\*\*\*\* **END** \*\*\*\*