## **Introduced by Assembly Member Ward**

February 6, 2025

An act to amend Section 1946.2 of, and to repeal Section 1946.5 of, the Civil Code, to amend Section 12927 of the Government Code, to add Section 17131.19 to the Revenue and Taxation Code, and to add Section 10007 to the Welfare and Institutions Code, relating to housing.

## LEGISLATIVE COUNSEL'S DIGEST

AB 474, as introduced, Ward. Tenancy: caregivers and lodgers: nonprofit home-sharing program: tax credit: eligibility for public social services.

(1) Existing law generally regulates the relationship between parties to a hiring of dwelling units. Existing law generally prohibits the owner of a residential real property from terminating a tenancy without just cause after a tenant has continuously and lawfully occupied the residential real property for 12 months. Existing law defines "just cause" as including no-fault just cause, which includes an intent to occupy the residential real property by the owner or the owner's spouse, among others, as the person's primary residence.

This bill would add the intent to occupy the residential real property by the owner's caregiver, as defined, as a no-fault just cause under the above-described provisions.

Existing law allows a lodger, as defined, occupying a room on a periodic basis within a dwelling unit occupied by the owner or the owner of the dwelling unit to terminate the hiring of the room by giving written notice to the other party at least as long before the expiration of the term of hiring as the term itself, as specified. Upon expiration of the

 $AB 474 \qquad \qquad -2 -$ 

notice period, the right of the lodger to remain in the dwelling unit or any part of the dwelling unit is terminated and the lodger may be removed from the premises.

This bill would repeal those provisions.

(2) Existing law, the California Fair Employment and Housing Act, prohibits housing discrimination based on specified characteristics. Existing law defines discrimination to include refusal to sell, rent, or lease housing accommodations. Under existing law, discrimination does not include refusal to rent or lease a portion of an owner-occupied single-family house to a person as a roomer or boarder living within the household if no more than one person is to live within the household, as specified.

This bill would specify that discrimination does not include refusal to rent or lease to a person as a tenant, instead of a roomer or a boarder, and would increase the number persons living in the household under these provisions to 2.

(3) The Personal Income Tax Law, in modified conformity with federal law, generally defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income for purposes of computing tax liability.

This bill would additionally exclude from gross income any payment received by a lower income household from a tenant while participating as a landlord in a nonprofit home-sharing program. The bill would define various terms for these purposes.

(4) Existing law establishes public social services, including, among others, the State Supplementary Program (SSP) for the Aged, Blind and Disabled, which requires the State Department of Social Services to contract with the United States Secretary of Health and Human Services to make payments to SSP recipients to supplement Supplemental Security Income payments made available pursuant to the federal Social Security Act.

This bill, for purposes of determining eligibility for public social services, would exclude income received by an applicant for, or a recipient of, public social services through renting bedrooms or units in a nonprofit home-sharing program, as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

-3— AB 474

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

- (a) Californians who are older or experience disabilities, many of whom live on fixed incomes, face increasing housing cost burdens, with roughly 8 out of 10 extremely low income older renters paying more than one-half of their monthly income on rent. Fair market rents in California for an efficiency range from \$770 per months to \$3,056 per month, far more than an older adult or adult with a disability on a fixed income can afford, particularly when the maximum Supplemental Security Income (SSI) payment for an individual in 2025 is \$1,206.94 per month. The SSI payment in 2019 covered only 40 percent of the basic cost of living for a senior living alone. In the County of Los Angeles, the SSI individual payment level has not been enough to afford an apartment since 2008.
- (b) Older adults are at the epicenter of California's housing affordability and homelessness crisis, with over 40,000 people 55 years of age or older experiencing homelessness. In the four-year period from 2017 to 2021, the number of older Californians, 65 years of age or older, accessing homeless services increased by 138 percent.
- (c) California is experiencing an extreme housing shortage with an estimate of nearly 1,300,000 affordable units needed to meet the demand for affordable units. At the same time, California has enough unoccupied bedrooms in existing housing units that, if rented out, could address this shortfall.
- (d) The Master Plan for Aging has a key goal of preventing and ending older adult homelessness as well as expanding housing options for older adults.
- (e) Home sharing, when people rent out extra rooms in their house or apartment, has great potential to help address California's housing and homelessness crisis, especially among older adults. Across California, there are dozens of organizations, including many area agencies on aging, that facilitate home sharing. Incentivizing home sharing is a powerful, relatively low-cost way to increase housing supply and address the housing and homelessness crisis, especially among older adults.
  - SEC. 2. Section 1946.2 of the Civil Code is amended to read:

AB 474 — 4 —

1946.2. (a) Notwithstanding any other law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of the residential real property shall not terminate a tenancy without just cause, which shall be stated in the written notice to terminate tenancy. If any additional adult tenants are added to the lease before an existing tenant has continuously and lawfully occupied the residential real property for 24 months, then this subdivision shall only apply if either of the following are satisfied:

- (1) All of the tenants have continuously and lawfully occupied the residential real property for 12 months or more.
- (2) One or more tenants have continuously and lawfully occupied the residential real property for 24 months or more.
- (b) For purposes of this section, "just cause" means either of the following:
  - (1) At-fault just cause, which means any of the following:
  - (A) Default in the payment of rent.
- (B) A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.
- (C) Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
- (D) Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
- (E) The tenant had a written lease that terminated on or after January 1, 2020, or January 1, 2022, if the lease is for a tenancy in a mobilehome, and after a written request or demand from the owner, the tenant has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this section or any other provision of law.
- (F) Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, on or off the residential real property, that is directed at any owner or agent of the owner of the residential real property.

\_5\_ AB 474

(G) Assigning or subletting the premises in violation of the tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

- (H) The tenant's refusal to allow the owner to enter the residential real property as authorized by Sections 1101.5 and 1954 of this code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.
- (I) Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.
- (J) The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.
- (K) When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in Section 1946 of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the owner, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.
  - (2) No-fault just cause, which means any of the following:
- (A) (i) Intent to occupy the residential real property by the owner or the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents or caregiver, as defined in Section 3002 of Title 42 of the United States Code, for a minimum of 12 continuous months as that person's primary residence.
- (ii) For leases entered into on or after July 1, 2020, or July 1, 2022, if the lease is for a tenancy in a mobilehome, clause (i) shall apply only if the tenant agrees, in writing, to the termination, or if a provision of the lease allows the owner to terminate the lease if the owner, or the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents, or caregivers, as described in clause (i), unilaterally decides to occupy the residential real property. Addition of a provision allowing the owner to terminate the lease as described in this clause to a new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1).
- (iii) This subparagraph does not apply if the intended occupant occupies a rental unit on the property or if a vacancy of a similar unit already exists at the property.

 $\mathbf{AB}\ \mathbf{474} \qquad \qquad \mathbf{-6} - \mathbf{6}$ 

(iv) The written notice terminating a tenancy for a just cause pursuant to this subparagraph shall contain the name or names and relationship to the owner of the intended occupant. The written notice shall additionally include notification that the tenant may request proof that the intended occupant is an owner or related to the owner as defined in subclause (II) of clause (viii). The proof shall be provided upon request and may include an operating agreement and other non-public documents.

- (v) Clause (i) applies only if the intended occupant moves into the rental unit within 90 days after the tenant vacates and occupies the rental unit as a primary residence for at least 12 consecutive months.
- (vi) (I) If the intended occupant fails to occupy the rental unit within 90 days after the tenant vacates or fails to occupy the rental unit as their primary residence for at least 12 consecutive months, the owner shall offer the unit to the tenant who vacated it at the same rent and lease terms in effect at the time the tenant vacated and shall reimburse the tenant for reasonable moving expenses incurred in excess of any relocation assistance that was paid to the tenant in connection with the written notice.
- (II) If the intended occupant moves into the rental unit within 90 days after the tenant vacates, but dies before having occupied the rental unit as a primary residence for 12 months, as required by clause (vi), this will not be considered a failure to comply with this section or a material violation of this section by the owner as provided in subdivision (h).
- (vii) For a new tenancy commenced during the time periods described in clause (v), the accommodations shall be offered and rented or leased at the lawful rent in effect at the time any notice of termination of tenancy is served.
  - (viii) As used in this subparagraph:
- (I) "Intended occupant" means the owner of the residential real property or the owner's spouse, domestic partner, child, grandchild, parent, or grandparent, or caregiver, as described in clause (i).
  - (II) "Owner" means any of the following:
- (ia) An owner who is a natural person that has at least a 25-percent recorded ownership interest in the property.
- (ib) An owner who is a natural person who has any recorded ownership interest in the property if 100 percent of the recorded ownership is divided among owners who are related to each other

\_\_7\_\_ AB 474

as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.

2

3

4

5

6

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35 36

37

38

- (ic) An owner who is a natural person whose recorded interest in the property is owned through a limited liability company or partnership.
- (III) For purposes of subclause (II), "natural person" includes any of the following:
- (ia) A natural person who is a settlor or beneficiary of a family trust.
- (ib) If the property is owned by a limited liability company or partnership, a natural person who is a beneficial owner with at least a 25-percent ownership interest in the property.
- (IV) "Family trust" means a revocable living trust or irrevocable trust in which the settlors and beneficiaries of the trust are persons who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.
- (V) "Beneficial owner" means a natural person or family trust for whom, directly or indirectly and through any contract arrangement, understanding, relationship, or otherwise, and any of the following applies:
- (ia) The natural person exercises substantial control over a partnership or limited liability company.
- (ib) The natural person owns 25 percent or more of the equity interest of a partnership or limited liability company.
- (ic) The natural person receives substantial economic benefits from the assets of a partnership.
- (B) Withdrawal of the residential real property from the rental market.
  - (C) (i) The owner complying with any of the following:
- (I) An order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.
- (II) An order issued by a government agency or court to vacate the residential real property.
- (III) A local ordinance that necessitates vacating the residential real property.
- (ii) If it is determined by any government agency or court that the tenant is at fault for the condition or conditions triggering the order or need to vacate under clause (i), the tenant shall not be

AB 474 — 8 —

1 entitled to relocation assistance as outlined in paragraph (3) of 2 subdivision (d).

- (D) (i) Intent to demolish or to substantially remodel the residential real property.
- (ii) For purposes of this subparagraph, "substantially remodel" means either of the following that cannot be reasonably accomplished in a safe manner that allows the tenant to remain living in the place and that requires the tenant to vacate the residential real property for at least 30 consecutive days:
- (I) The replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency.
- (II) The abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws.
- (iii) For purposes of this subparagraph, a tenant is not required to vacate the residential real property on any days where a tenant could continue living in the residential real property without violating health, safety, and habitability codes and laws. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial remodel.
- (iv) A written notice terminating a tenancy for a just cause pursuant to this subparagraph shall include all of the following information:
- (I) A statement informing the tenant of the owner's intent to demolish the property or substantially remodel the rental unit property.
  - (II) The following statement:

"If the substantial remodel of your unit or demolition of the property as described in this notice of termination is not commenced or completed, the owner must offer you the opportunity to re-rent your unit with a rental agreement containing the same terms as your most recent rental agreement with the owner at the rental rate that was in effect at the time you vacated. You must notify the owner within thirty (30) days of receipt of the offer to re-rent of your acceptance or rejection of the offer, and, if accepted, you must reoccupy the unit within thirty (30) days of notifying the owner of your acceptance of the offer."

\_9\_ AB 474

(III) A description of the substantial remodel to be completed, the approximate expected duration of the substantial remodel, or if the property is to be demolished, the expected date by which the property will be demolished, together with one of the following:

- (ia) A copy of the permit or permits required to undertake the substantial remodel or demolition.
- (ib) Only if a notice is issued pursuant to subclause (II) of clause (ii) and the remodel does not require any permit, a copy of the signed contract with the contractor hired by the owner to complete the substantial remodel, that reasonably details the work that will be undertaken to abate the hazardous materials as described in subclause (II) of clause (ii).
- (IV) A notification that if the tenant is interested in reoccupying the rental unit following the substantial remodel, the tenant shall inform the owner of the tenant's interest in reoccupying the rental unit following the substantial remodel and provide to the owner the tenant's address, telephone number, and email address.
- (c) Before an owner of residential real property issues a notice to terminate a tenancy for just cause that is a curable lease violation, the owner shall first give notice of the violation to the tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.
- (d) (1) For a tenancy for which just cause is required to terminate the tenancy under subdivision (a), if an owner of residential real property issues a termination notice based on a no-fault just cause described in paragraph (2) of subdivision (b), the owner shall, regardless of the tenant's income, at the owner's option, do one of the following:
- (A) Assist the tenant to relocate by providing a direct payment to the tenant as described in paragraph (3).
- (B) Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.
- (2) If an owner issues a notice to terminate a tenancy for no-fault just cause, the owner shall notify the tenant in the written termination notice of the tenant's right to relocation assistance or rent waiver pursuant to this section. If the owner elects to waive the rent for the final month of the tenancy as provided in

AB 474 — 10 —

subparagraph (B) of paragraph (1), the notice shall state the amount of rent waived and that no rent is due for the final month of the tenancy.

- (3) (A) The amount of relocation assistance or rent waiver shall be equal to one month of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy. Any relocation assistance shall be provided within 15 calendar days of service of the notice.
- (B) If a tenant fails to vacate after the expiration of the notice to terminate the tenancy, the actual amount of any relocation assistance or rent waiver provided pursuant to this subdivision shall be recoverable as damages in an action to recover possession.
- (C) The relocation assistance or rent waiver required by this subdivision shall be credited against any other relocation assistance required by any other law.
- (4) An owner's failure to strictly comply with this subdivision shall render the notice of termination void.
- (e) This section shall not apply to the following types of residential real properties or residential circumstances:
- (1) Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940.
- (2) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.
- (3) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.
- (4) Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.
- (5) Single-family owner-occupied residences, including both of the following:
- (A) A residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.
  - (B) A mobilehome.
- (6) A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as

-11- AB 474

the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.

- (7) Housing that has been issued a certificate of occupancy within the previous 15 years, unless the housing is a mobilehome.
- (8) Residential real property, including a mobilehome, that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:
  - (A) The owner is not any of the following:
- (i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.
  - (ii) A corporation.
- (iii) A limited liability company in which at least one member is a corporation.
- (iv) Management of a mobilehome park, as defined in Section 798.2.
- (B) (i) The tenants have been provided written notice that the residential property is exempt from this section using the following statement:

"This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12 (d)(5) and 1946.2 (e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

- (ii) (I) Except as provided in subclause (II), for a tenancy existing before July 1, 2020, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.
- (II) For a tenancy in a mobilehome existing before July 1, 2022, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.
- (iii) (I) Except as provided in subclause (II), for any tenancy commenced or renewed on or after July 1, 2020, the notice required under clause (i) must be provided in the rental agreement.

AB 474 — 12 —

(II) For any tenancy in a mobilehome commenced or renewed on or after July 1, 2022, the notice required under clause (i) shall be provided in the rental agreement.

- (iv) Addition of a provision containing the notice required under clause (i) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1) of subdivision (b).
- (9) Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.
- (f) An owner of residential real property subject to this section shall provide notice to the tenant as follows:
- (1) (A) Except as provided in subparagraph (B), for any tenancy commenced or renewed on or after July 1, 2020, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.
- (B) For a tenancy in a mobilehome commenced or renewed on or after July 1, 2022, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.
- (2) (A) Except as provided in subparagraph (B), for a tenancy existing prior to July 1, 2020, by written notice to the tenant no later than August 1, 2020, or as an addendum to the lease or rental agreement.
- (B) For a tenancy in a mobilehome existing prior to July 1, 2022, by written notice to the tenant no later than August 1, 2022, or as an addendum to the lease or rental agreement.
- (3) The notification or lease provision shall be in no less than 12-point type, and shall include the following:

"California law limits the amount your rent can be increased. See Section 1947.12 of the Civil Code for more information. California law also provides that after all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously and lawfully

\_\_13\_\_ AB 474

occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Section 1946.2 of the Civil Code for more information."

The notification or lease provision shall be subject to Section 1632.

- (g) An owner's failure to comply with any provision of this section shall render the written termination notice void.
- (h) (1) An owner who attempts to recover possession of a rental unit in material violation of this section shall be liable to the tenant in a civil action for all of the following:
  - (A) Actual damages.
- (B) In the court's discretion, reasonable attorney's fees and costs.
- (C) Upon a showing that the owner has acted willfully or with oppression, fraud, or malice, up to three times the actual damages. An award may also be entered for punitive damages for the benefit of the tenant against the owner.
- (2) The Attorney General, in the name of the people of the State of California, and the city attorney or county counsel in the jurisdiction in which the rental unit is located, in the name of the city or county, may seek injunctive relief based on violations of this section.
- (i) (1) This section does not apply to the following residential real property:
- (A) Residential real property subject to a local ordinance requiring just cause for termination of a residential tenancy adopted on or before September 1, 2019, in which case the local ordinance shall apply.
- (B) Residential real property subject to a local ordinance requiring just cause for termination of a residential tenancy adopted or amended after September 1, 2019, that is more protective than this section, in which case the local ordinance shall apply. For purposes of this subparagraph, an ordinance is "more protective" if it meets all of the following criteria:
- (i) The just cause for termination of a residential tenancy under
- the local ordinance is consistent with this section.
- (ii) The ordinance further limits the reasons for termination of a residential tenancy, provides for higher relocation assistance

AB 474 — 14 —

1 amounts, or provides additional tenant protections that are not 2 prohibited by any other provision of law.

- (iii) The local government has made a binding finding within their local ordinance that the ordinance is more protective than the provisions of this section.
- (2) A residential real property shall not be subject to both a local ordinance requiring just cause for termination of a residential tenancy and this section.
- (3) A local ordinance adopted after September 1, 2019, that is less protective than this section shall not be enforced unless this section is repealed.
- (j) Any waiver of the rights under this section shall be void as contrary to public policy.
- (k) For the purposes of this section, the following definitions shall apply:
- (1) "Owner" includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner.
- (2) "Residential real property" means any dwelling or unit that is intended for human habitation, including any dwelling or unit in a mobilehome park.
- (3) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.
- (*l*) This section shall not apply to a homeowner of a mobilehome, as defined in Section 798.9.
  - (m) This section shall become operative on April 1, 2024.
- (n) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.
  - SEC. 3. Section 1946.5 of the Civil Code is repealed.
- 1946.5. (a) The hiring of a room by a lodger on a periodic basis within a dwelling unit occupied by the owner may be terminated by either party giving written notice to the other of his or her intention to terminate the hiring, at least as long before the expiration of the term of the hiring as specified in Section 1946. The notice shall be given in a manner prescribed in Section 1162 of the Code of Civil Procedure or by certified or registered mail, restricted delivery, to the other party, with a return receipt requested.
- (b) Upon expiration of the notice period provided in the notice of termination given pursuant to subdivision (a), any right of the

-15- AB 474

lodger to remain in the dwelling unit or any part thereof is terminated by operation of law. The lodger's removal from the premises may thereafter be effected pursuant to the provisions of Section 602.3 of the Penal Code or other applicable provisions of law.

1 2

- (c) As used in this section, "lodger" means a person contracting with the owner of a dwelling unit for a room or room and board within the dwelling unit personally occupied by the owner, where the owner retains a right of access to all areas of the dwelling unit occupied by the lodger and has overall control of the dwelling unit.
- (d) This section applies only to owner-occupied dwellings where a single lodger resides. Nothing in this section shall be construed to determine or affect in any way the rights of persons residing as lodgers in an owner-occupied dwelling where more than one lodger resides.
- SEC. 4. Section 12927 of the Government Code is amended to read:
- 12927. As used in this part in connection with housing accommodations, unless a different meaning clearly appears from the context:
- (a) "Affirmative actions" means any activity for the purpose of eliminating discrimination in housing accommodations because of race, color, religion, sex, marital status, national origin, ancestry, familial status, or disability.
- (b) "Conciliation council" means a nonprofit organization, or a city or county human relations commission, which provides education, factfinding, and mediation or conciliation services in resolution of complaints of housing discrimination.
- (c) (1) "Discrimination" includes refusal to sell, rent, or lease housing accommodations; includes refusal to negotiate for the sale, rental, or lease of housing accommodations; includes representation that a housing accommodation is not available for inspection, sale, or rental when that housing accommodation is in fact so available; includes any other denial or withholding of housing accommodations; includes provision of inferior terms, conditions, privileges, facilities, or services in connection with those housing accommodations; includes harassment in connection with those housing accommodations; includes the cancellation or termination of a sale or rental agreement; includes the provision of segregated or separated housing accommodations; includes the

AB 474 -16-

refusal to permit, at the expense of the disabled person, reasonable modifications of existing premises occupied or to be occupied by the disabled person, if the modifications may be necessary to afford the disabled person full enjoyment of the premises, except that, in the case of a rental, the landlord may, where it is reasonable to do so condition permission for a modification on the renter's agreeing to restore the interior of the premises to the condition that existed before the modification (other than for reasonable wear and tear), and includes refusal to make reasonable accommodations in rules, policies, practices, or services when these accommodations may be necessary to afford a disabled person equal opportunity to use and enjoy a dwelling.

- (2) "Discrimination" does not include either of the following:
- (A) Refusal to rent or lease a portion of an owner-occupied single-family house to a person as a roomer or boarder tenant living within the household, provided that no more than one roomer or boarder is two tenants are to live within the household, and the owner complies with subdivision (c) of Section 12955, which prohibits discriminatory notices, statements, and advertisements.
- (B) Where the sharing of living areas in a single dwelling unit is involved, the use of words stating or tending to imply that the housing being advertised is available only to persons of one sex.
- (d) "Housing accommodation" means any building, structure, or portion thereof that is occupied as, or intended for occupancy as, a residence by one or more families and any vacant land that is offered for sale or lease for the construction thereon of any building, structure, or portion thereof intended to be so occupied. "Housing accommodation" includes a building, structure, or portion thereof that is occupied, or intended to be occupied, pursuant to a transaction facilitated by a hosting platform, as defined in Section 22590 of the Business and Professions Code.
- (e) "Owner" includes the lessee, sublessee, assignee, managing agent, real estate broker or salesperson, or any person having any legal or equitable right of ownership or possession or the right to rent or lease housing accommodations, and includes the state and any of its political subdivisions and any agency thereof.
- (f) "Person" includes all individuals and entities that are described in Section 3602(d) of Title 42 of the United States Code, and in the definition of "owner" in subdivision (e), and all

—17— AB 474

institutional third parties, including the Federal Home Loan Mortgage Corporation.

- (g) "Aggrieved person" includes any person who claims to have been injured by a discriminatory housing practice or believes that the person will be injured by a discriminatory housing practice that is about to occur.
- (h) "Real estate-related transactions" include any of the following:
- (1) The making or purchasing of loans or providing other financial assistance that is for the purpose of purchasing, constructing, improving, repairing, or maintaining a dwelling, or that is secured by residential real estate.
- (2) The selling, brokering, or appraising of residential real property.
- (3) The use of territorial underwriting requirements, for the purpose of requiring a borrower in a specific geographic area to obtain earthquake insurance, required by an institutional third party on a loan secured by residential real property.
- (i) "Source of income" means lawful, verifiable income paid directly to a tenant, or to a representative of a tenant, or paid to a housing owner or landlord on behalf of a tenant, including federal, state, or local public assistance, and federal, state, or local housing subsidies, including, but not limited to, federal housing assistance vouchers issued under Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f). "Source of income" includes a federal Department of Housing and Urban Development Veterans Affairs Supportive Housing owner or landlord is not considered a representative of a tenant unless the source of income is a federal Department of Housing and Urban Development Veterans Affairs Supportive Housing voucher.
- SEC. 5. Section 17131.19 is added to the Revenue and Taxation Code, to read:
- 17131.19. (a) Gross income does not include any payment received by a lower income household from a tenant while participating as a landlord in a nonprofit home-sharing program.
  - (b) For the purposes of this section:
- (1) "Nonprofit home-sharing program" means a program as defined in paragraph (1) of subdivision (b) of Section 10007 of the Welfare and Institutions Code.

AB 474 — 18—

1 (2) "Lower income household" means as defined in Section 2 50079.5 of the Health and Safety Code.

- SEC. 6. Section 10007 is added to the Welfare and Institutions Code, to read:
- 10007. (a) Income received by an applicant for, or a recipient of, public social services through renting bedrooms or units as a landlord in a nonprofit home-sharing program shall not be considered to be income for the purposes of determining the eligibility of public social services pursuant to this division.
  - (b) For the purposes of this section:
- (1) "Nonprofit home-sharing program" means a program that meets all of the following:
- (A) Administered by a nonprofit organization or governmental entity.
- (B) 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.
- (C) Lease agreements executed as a result of a match, as described in subparagraph (B), is for the term of no less than 30 days.
- (D) Provides ongoing support to mitigate conflict and promote housing stability for both participating tenants and landlords.
- (E) "Nonprofit organization" means any private, nonprofit organization which qualifies for exempt status under Section 501(c)(3) of the United States Internal Revenue Code of 1986.