

Date of Hearing: March 26, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 282 (Pellerin) – As Introduced January 22, 2025

**SUBJECT:** Discrimination: housing: source of income

**SUMMARY:** Creates an exemption in source of income discrimination law to allow a housing owner or landlord to prioritize applicants for tenancy who qualify for or participate in government-sponsored rental assistance or subsidy programs, vouchers, or certificate systems.

**EXISTING LAW:**

- 1) Declares it unlawful for the owner of any housing accommodation to discriminate against or harass any person because of the race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information of that person. (Government Code (GOV) 12955(a))
- 2) Declares it unlawful for any person to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a housing accommodation that indicates any preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information or an intention to make that preference, limitation, or discrimination. (GOV 12955(c))
- 3) Declares it unlawful, in instances in which there is a government rent subsidy, to do either of the following:
  - a) Use a financial or income standard in assessing eligibility for the rental of housing that is not based on the portion of the rent to be paid by the tenant; and
  - b) Use a person’s credit history as part of the application process for a rental accommodation without offering the applicant the option, at their discretion, to provide lawful, verifiable alternative evidence of the applicant’s reasonable ability to pay the portion of rent to be paid by the tenant, as specified. (GOV 12955(o))
- 4) Defines “source of income” to mean 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, as specified. (GOV 12955(p)(1))
- 5) Clarifies that it shall not constitute discrimination based on source of income to make a written or oral inquiry concerning the level or source of income. (GOV 12955(p)(2))

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

**Author's Statement:** According to the author, “The Housing Choice Voucher (HCV) Program is a vital tool for low-income families seeking stable housing, yet many continue to face barriers in the private rental market. This includes blatant refusal from some landlords to rent units to tenants with a voucher. While landmark legislation in 2019 sought to eliminate discrimination based on source of income, it unintentionally prohibited preferences that could benefit voucher holders. AB 282 seeks to clarify the law by allowing housing providers to prioritize tenants with rental assistance, expanding housing opportunities for low-income families.”

**California's Housing Crisis:** California is in the midst of a housing crisis. Over two-thirds of low-income renters are paying more than 30% of their income toward housing, a “rent burden” that means they have to sacrifice other essentials such as food, transportation, and health care. In 2024, over 185,000 Californians experienced homelessness on a given night. The crisis is driven in large part by the lack of affordable rental housing for lower income people. According to the California Housing Partnership's (CHP's) Housing Need Dashboard, in the current market, over 2 million extremely low-income and very low-income renter households are competing for roughly 750,000 available and affordable rental units in the state. Over three-quarters of the state's extremely low-income households and over half of the state's very low-income households are severely rent burdened, paying more than 50% of their income toward rent each month. CHP estimates that the state needs an additional 1.28 million housing units affordable to very low-income Californians to eliminate the shortfall.

**PHAs and the Voucher System:** The HCV program is the largest rental assistance program in the country, first established in 1974 under Section 8 of the United States Housing Act of 1937. More than 5 million people in over 2 million low-income households use vouchers nationwide, including 307,800 California households as of January 2022. A key feature of the HCV program is that the program relies on private landlords to accept voucher recipients as tenants. Because the amount of funding provided for the HCV program is limited, far more low-income people qualify for a voucher than actually receive one – and even fewer of those who receive one can successfully find a landlord in the private market willing to accept the voucher. While the voucher generally covers the portion of the tenant's rent that exceeds 30% of their income, payment standards for metro areas determine how much rent beyond 30% the HCV is allowed to cover and in some cases tenants may end up paying more than 30% of their income if they cannot find an available affordable unit. The payment standards are based on fair market rents that the US Department of Housing and Urban Development (HUD) calculates each year for middle-range housing units in an area.

The HCV program is administered by public housing authorities (PHAs), which are independent public entities created by state law and almost entirely funded by the federal government. Some PHAs also own and develop affordable and mixed-income housing. In addition to administering “tenant-based” HCVs and specialty vouchers like HUD-VASH, PHAs can also choose to “project-base vouchers” or dedicate up to 20% (in some cases up to 30%) of their vouchers to specific units in an affordable or supportive housing development.

Due to the mismatch between the number of eligible low-income households and the amount of HCVs available in each region, most PHAs require applicants to join a voucher waitlist, which is intended to filter people into the program as vouchers become available. Because the HCV program is so impacted and there is such a lack of affordable housing in the state, many people

wait years on a voucher waitlist, and some PHAs have had their waitlists closed for years and only open them for extremely brief periods of time due to overwhelming demand.

**Source of Income Discrimination:** Vouchers should be a lifeline for families who finally receive them after months or years on a waitlist – but California’s voucher recipients face significant barriers to using their vouchers because they have trouble competing in the state’s competitive rental housing market. Once a tenant receives a voucher, they have a limited amount of time to secure a rental unit, typically between 60 to 120 days with limited extensions.

Though California adopted a prohibition on housing discrimination based on source of income in 2019 via SB 329 (Mitchell), Chapter 600, this protection only prohibits a housing provider from refusing to rent or taking other adverse actions against an individual due to the fact that they have a government subsidy. It continues to be very challenging for voucher holders to secure rental housing, particularly if they have a low credit score or no credit history. Additionally, while source of income protections prohibit housing providers from using a financial or income standard based on something other than a tenant’s share of rent, there is no proportional weighting of other tenancy qualification criteria.

This bill would clarify that it is permissible for an owner or landlord to prioritize applicants for tenancy who qualify for or participate in government-sponsored rental assistance or subsidy programs, vouchers, or certificate systems, like HCVs or HUD-VASH vouchers. While the cosponsors of the bill are PHAs who likely seek to utilize this authority to help direct and prioritize voucher holders toward units owned and operated by the PHAs and free up more PBVs, the bill broadly authorizes this practice for any owner or landlord (if they so choose). The author and sponsors also point out that the State of Delaware recently amended their source of income discrimination law to allow landlords to reserve rental units for voucher holders (see Del. Code tit. 6 §4607(k)).

**Arguments in Support:** According to the Housing Authority of the County of Santa Cruz, the bill’s cosponsor, “In 2019, SB 329 was passed, which revised the definition of ‘source of income’ to include housing subsidies, thereby prohibiting discrimination based on participation in such a program. This legislation was passed with the explicit intent to create more housing opportunities and make it easier for participants of rental assistance programs to secure a place to call home. While SB 329 succeeds at preventing discrimination against rental assistance participants, the operative language was written in such a way that unintentionally prohibited housing providers from establishing a preference for renting to participants in rental assistance programs. As a result, this limits the extent to which housing providers can expand housing opportunities for low-income individuals and families participating in rental assistance programs, which is counter to the original intent of the legislation. While the proposed legislation would assist low-income families in utilizing their rental assistance and finding an available unit, it could also assist housing providers. In addition to housing authorities and non-profits whose mission is to exclusively serve low-income families, private market owners could use a preference for rental assistance recipients to receive market rate rates while meeting their inclusionary requirements to rent a certain percentage of units to low-income families, thereby potentially promoting the financial viability of those projects.”

**Arguments in Opposition:** According to the Southern California Rental Housing Association, “California must remain committed to policies that ensure equity and inclusivity in housing practices. While supporting government-assisted tenants is important, it should not come at the

expense of other groups who also face significant barriers to securing housing. AB 282 could lead to unintended consequences that erode fair housing principles and exacerbate disparities in housing access. I urge you and your colleagues in the California State Assembly to reconsider this legislation and explore alternative solutions that strengthen housing access for all Californians without creating preferential treatment based on income sources.”

***Related Legislation:***

AB 653 (Reyes), Chapter 672, Statutes of 2024: Required all PHAs to report their monthly housing voucher leasing success rates, current payment standards, average inspection wait times for initial lease-up, and voucher search times to the Department of Housing and Community Development (HCD) and required HCD to convene a group of PHAs to discuss the factors that impact success rates and recommendations for state and local intervention, with a report to be published by July 1, 2026.

SB 267 (Eggman), Chapter 776, Statutes of 2023: Prohibited a landlord, in instances involving a government rent subsidy, from using credit history as part of the rental housing application process unless the landlord offers the applicant the option to provide lawful, verifiable alternative evidence of reasonable ability to pay the portion of the rent to be paid by the tenant, including, but not limited to, government benefit payments, pay records, and bank statements.

AB 2203 (L. Rivas) of 2022 would have prohibited a property owner from requiring a consumer credit report as part of the application process for a rental housing accommodation in instances where there is a government rent subsidy. This bill died pending a vote on the Assembly Floor.

SB 329 (Mitchell), Chapter 600, Statutes of 2019: Expanded the existing prohibition on discrimination in housing based on source of income to include income from public assistance and housing subsidies, including the HCV and other voucher programs.

***Double Referred:*** This bill was also referred to the Assembly Committee on Judiciary where it will be heard should it pass out of this committee.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Housing Authority of The County of Santa Cruz (Sponsor)  
California Association of Housing Authorities (Co-Sponsor)  
AARP  
California Housing Partnership Corporation  
California Rural Legal Assistance Foundation  
Housing Authority of the City of San Luis Obispo  
Housing Authority of the County of San Mateo  
LeadingAge California  
MidPen Housing Corporation  
National Housing Law Project  
Public Interest Law Project

**Opposition**

Southern California Rental Housing Association

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