

<p>California Department of Justice Office of the Attorney General</p>	<p><b>Legal Alert</b></p>	
<p><i>Subject:</i></p> <p>Legal Obligations of Local Agencies Regarding Verification of Immigration Status of Participants in Certain Programs Funded by the U.S. Department of Housing and Urban Development (HUD)</p>	<p><i>No.</i></p> <p>OAG 2026-02</p> <hr/> <p><i>Date:</i></p> <p>May 14, 2026</p>	<p><i>Contact for information:</i></p> <p>LegalAlerts@doj.ca.gov</p>

**TO: All California Cities, Counties, their designated housing and community development agencies, and other interested parties,**

On November 26, 2025, the U.S. Department of Housing and Urban Development (HUD) issued a notice (90 Fed. Reg. 54,363) purporting to require local jurisdictions to verify immigration status for beneficiaries of twelve specified federal HUD grant programs (the HUD PRWORA Notice). The HUD PRWORA Notice is currently being challenged in federal district court by multiple states, including the State of California. *New York, et al., v. U.S. DOJ, et al.* (1:25-CV-00345). **As a result of that lawsuit, HUD has agreed not to enforce the PRWORA Notice until the district court reaches a decision on the merits of all claims in the case and issues a judgment.** HUD has further stipulated that it will not retroactively apply the Notice to conduct occurring or funds distributed before the district court issues a judgment. **Therefore, the HUD PRWORA Notice is not currently in effect and there is currently no obligation for grantees and/or subgrantees of HUD grants to verify the immigration status of recipients of HUD-funded programs subject to the HUD PRWORA Notice unless and until the stay is lifted.**

**The Attorney General’s Office will issue an update to this Alert if the stay is lifted pursuant to a district court judgment or other court action.**

This legal alert serves only as a general public resource by providing a broad overview of the law as of the date of publication. It does not constitute legal advice. Jurisdictions should closely review all related laws and regulations with counsel to ensure compliance.

### **I. Background**

On November 26, 2025, HUD published its PRWORA Notice, available here: <https://www.govinfo.gov/content/pkg/FR-2025-11-26/pdf/2025-21120.pdf>. In the notice, HUD declared that twelve of its grant programs were subject to PRWORA, which excludes certain types of immigrants from receiving federally funded benefits and grants. HUD’s PRWORA Notice stated its interpretation that the following programs fell under PRWORA’s exclusions:

1. HOME (also referred to as HOME Investment Partnerships);
2. American Rescue Plan (HOME–ARP);
3. National Housing Trust Fund;
4. Community Development Block Grant (CDBG);
5. Community Development Block Grant Disaster Recovery (CDBG–DR);
6. Housing Opportunities for Persons with AIDS (HOPWA) formula grants;
7. Emergency Solutions Grants (ESG);
8. Pathways to Removing Obstacles to Housing (PRO Housing);
9. Preservation and Reinvestment Initiative for Community Enhancement (PRICE);
10. Continuum of Care (CoC);
11. Housing Opportunities for Persons with AIDS (HOPWA) competitive grants; and
12. The Self-Help Homeownership Opportunity Program (SHOP).

## **II. Stay of Enforcement of the HUD PRWORA Notice**

In response to the HUD PRWORA Notice, on December 4, 2025, plaintiff states added HUD and its Secretary, Eric Scott, as defendants in an existing lawsuit the states had filed challenging PRWORA notices issued by the U.S. Department of Justice, the U.S. Department of Health and Human Services, the U.S. Department of Education, and the U.S. Department of Labor. On April 3, 2026, the plaintiff states entered into a joint stipulation with defendants in which HUD agreed to stay enforcement of the HUD PRWORA Notice until the date on which the district court issues judgment on the merits as to all claims asserted in this lawsuit (“district court judgment date”). The Stipulation is attached to this Alert and available here: [gov.uscourts.rid.60060.102.0.pdf](http://gov.uscourts.rid.60060.102.0.pdf).

The stay of enforcement:

- Applies to all twelve HUD programs referenced above;
- Applies to all plaintiff states, including California and its subdivisions and instrumentalities;
- Covers all conduct and funds expended before the district court judgment date regardless of the outcome of the litigation; and
- Runs “until the date on which judgment on the merits has been issued as to all claims in this action.”

## **California Law Prohibits Discrimination on the Basis of Immigration Status and National Origin**

Absent a federal requirement to verify immigration status, requesting verification of immigration status may violate California’s anti-discrimination laws, including the Unruh Civil Rights Act (Unruh), the Fair Employment and Housing Act (FEHA), Government Code section 11135, and the Immigrant Tenant Protection Act (ITPA). California cities, counties, and other entities subject to these statutes are encouraged to stay informed by monitoring updates related to HUD’s PRWORA Notice, and HUD’s agreement to stay enforcement of its PRWORA notice while the litigation in *New York, et al., v. U.S. DOJ, et al*, (1:25-CV-00345) remains pending.

### **I. Relevant State Laws**

California’s anti-discrimination laws protect against unequal treatment based on protected characteristics, including immigration status and national origin.

**A. The Unruh Civil Rights Act (Unruh)**

California’s Unruh Civil Rights Act (Unruh) prohibits business establishments, including local government entities, from discriminating on the basis of multiple protected characteristics, including national origin, citizenship, and immigration status. Unruh provides protection from discrimination by business establishments in California. All persons within California “are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever.” (Civ. Code, § 51(c).) While Unruh states that “verification of immigration status and any discrimination based upon verified immigration status, where required by federal law, shall not constitute a violation of this section,” (Civ. Code, § 51(g)), the April 3, 2025, stipulation in *New York, et al., v. U.S. DOJ, et al.* (1:25-CV-00345) makes it clear that verifying immigration status for any HUD grant subject to the PRWORA notice is not required by federal law.

**B. The California Fair Employment and Housing Act (FEHA)**

FEHA and its implementing regulations prohibit discrimination against any person in housing accommodations based on national origin. FEHA prohibits “the owner of any housing accommodation to discriminate against or harass any person because of . . . national origin . . .” (Gov. Code, § 12955.) Discriminatory practices under FEHA include both intentional discrimination and actions with a discriminatory effect regardless of intent. (Gov. Code, § 12955.8, subs. (a) & (b).) Requiring verification of immigration status could result in discrimination based on national origin in violation of FEHA if applied by the owner of a housing accommodation.

**C. Government Code section 11135**

Government Code section 11135 protects against discrimination based on “sex, race, color, religion, ancestry, national origin, ethnic group identification. . .” and requires “full and equal access to the benefits of. . . any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.” (Gov. Code, § 11135(a).) This statute applies to any local jurisdiction that receives financial assistance from the state. Requiring verification of immigration status could result in discrimination in violation of Government Code section 11135 if requested by an entity that receives state funding or is administering a state program or activity.

**D. Immigrant Tenant Protection Act (ITPA)**

The Immigrant Tenant Protection Act (ITPA) explicitly prohibits landlords from discriminating against tenants based on immigration status. ITPA prohibits public entities from requiring landlords to inquire about or report immigration status of any existing or prospective tenant. (Civ. Code, § 1940.3(a).) ITPA contains an exception that permits landlords to comply with federal requirements. (Civ. Code, § 1940.3(c)(1).) Absent a federal requirement to verify immigration status, such action could result in discrimination based on immigration status in violation of ITPA if required by a landlord.

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF RHODE ISLAND**

STATE OF NEW YORK; STATE OF WASHINGTON; STATE OF RHODE ISLAND; STATE OF ARIZONA; STATE OF CALIFORNIA; STATE OF COLORADO; STATE OF CONNECTICUT; STATE OF DELAWARE; DISTRICT OF COLUMBIA; STATE OF HAWAII; STATE OF ILLINOIS; STATE OF MAINE; STATE OF MARYLAND; COMMONWEALTH OF MASSACHUSETTS; STATE OF MICHIGAN; STATE OF MINNESOTA; STATE OF NEVADA; STATE OF NEW JERSEY; STATE OF NEW MEXICO; STATE OF OREGON; STATE OF VERMONT; STATE OF WISCONSIN,

Plaintiffs,

v.

U.S. DEPARTMENT OF JUSTICE; PAMELA BONDI, in her official capacity as ATTORNEY GENERAL OF THE UNITED STATES; U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES; ROBERT F. KENNEDY, JR., in his official capacity as SECRETARY OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES; U.S. DEPARTMENT OF EDUCATION; LINDA McMAHON, in her official capacity as SECRETARY OF THE U.S. DEPARTMENT OF EDUCATION; U.S. DEPARTMENT OF LABOR; LORI CHAVEZ-DeREMÉR, in her official capacity as SECRETARY OF THE U.S. DEPARTMENT OF LABOR; U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; and ERIC SCOTT TURNER, in his official capacity as SECRETARY OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,

Defendants.

Case No. 1:25-cv-00345

**STIPULATION**

**STIPULATION**

1. Defendants have consented to Plaintiffs amending their complaint to add the Department of Housing and Urban Development (“HUD”) and Eric Scott Turner, the HUD Secretary in his official capacity, as Defendants (together, the “HUD Defendants”) and to add claims challenging the November 26, 2025, Notice titled “Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA); Interpretation of ‘Federal Public Benefit,’” 90 Fed. Reg. 54,363 (Nov. 26, 2025) (the “HUD PRWORA Notice”).

2. Defendants have agreed to stay enforcement and application in Plaintiff States<sup>1</sup> of the HUD PRWORA Notice (and its contents) until the date on which judgment on the merits has been issued as to all claims in this action (“district court judgment date”). *See* ECF No. 80.

3. Defendants have agreed that, regardless of the outcome of this litigation, including on any appeal, they will never enforce or in any way apply the HUD PRWORA Notice, including the interpretations of PRWORA expressed in that Notice, related to:

- a. conduct occurring prior to the district court judgment date;
- b. funds expended prior to the district court judgment date; or
- c. any other actions taken in reliance on this Stipulation prior to the district court judgment date. *See id.*

4. Defendants’ agreement to this stay of enforcement and application is contingent on Plaintiffs filing a single motion for summary judgment that includes Plaintiffs’ challenges to all the PRWORA notices currently at issue in this case, namely, the DOJ, HHS, ED, DOL, and HUD notices.

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<sup>1</sup> The Term States includes the Plaintiffs and their subdivisions and instrumentalities.

5. Defendants agree that, in accordance with ¶¶ 2-3, regardless of the outcome of this litigation, including on any appeal, they will never enforce or in any way apply, in Plaintiff States, any grant condition purporting to require verification of immigration status pursuant to PRWORA for any HUD program newly interpreted by HUD in the HUD PRWORA Notice to fall within PRWORA’s definition of “Federal public benefit”, related to:

- a. conduct occurring prior to the district court judgment date;
- b. funds expended prior to the district court judgment date; or
- c. any other actions taken in reliance on this Stipulation prior to the district court judgment date.

Dated: April 3, 2026.

Respectfully submitted,

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