



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

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September 17, 2024

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- a. Receive an update on the status of the County's compliance with Assembly Bill 1466 regarding discriminatory restrictive covenants, the County's restrictive covenants education project, and the County's equity timeline; and
- b. Provide direction to staff.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive an update on the status of the County's compliance with Assembly Bill 1466 regarding discriminatory restrictive covenants, the County's restrictive covenants education project, and the County's equity timeline; and
- b. Provide direction to staff.

SUMMARY:

Existing law, the California Fair Employment and Housing Act, prohibits discrimination in housing 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, and provides that discrimination in housing through a restrictive covenant includes the existence of a restrictive covenant, regardless of whether accompanied by a statement that the covenant is repealed or void. Existing law also provides that a provision in any deed of real property in California that purports to restrict the right of any person to sell, lease, rent, use, or occupy the property to persons having the characteristics specified above by providing for payment of a penalty, forfeiture, reverter, or otherwise, is void, except as specified.

Among other things, Assembly Bill 1466 added into law procedures for addressing and removing restrictive covenants from deeds. The law states that "the county recorder of each county shall establish a restrictive covenant program to assist in the redaction of unlawfully restrictive covenants...". The County's Clerk Recorder's Office (Recorder), together with Housing & Community Development Department (HCD), have prepared a plan to address restricted covenants in accordance with state law. As part of this effort, the Board has supported a collaboration between the Recorder, the Health Department, HCD, the Civil Rights Office, and Monterey County Free Libraries to develop an education project on the role that restrictive covenants have played in housing discrimination.

Staff presented to the Health, Housing, and Human Services Committee (HHHSC) on August 18, 2022, about the County's compliance with Assembly Bill (AB) 1466 and to consider supporting that staff further research and develop a proposed restrictive covenant education project. Staff presented

to the Board of Supervisors (Board) on October 4, 2022 and the Board supported staff conducting further research and development on a proposed restrictive covenant education project for Monterey County. Staff presented to the Health, Housing, and Human Services Committee (HHHSC) on July 26, 2024, about the County's compliance with Assembly Bill (AB) 1466 and the County's restrictive covenants education project and equity timeline. Staff received input to clarify the two StoryMaps related to equity and restrictive covenants in Monterey County to ensure they provide clear and direct educational information. Staff made responsive edits to the two StoryMaps.

Today, staff is presenting the final update for the restrictive covenant education project and equity timeline to the Board. All educational materials will be updated semi-regularly when the Recorder provides new data or if updates to the StoryMaps are requested and have been appropriately reviewed and approved through the established internal review process, which is discussed in more detail below.

DISCUSSION:

On October 4, 2022, the Board supported staff in further researching and developing a restrictive covenant education project for Monterey County. The educational materials of the project have been completed and distributed to all Monterey County Free Library locations and the four other local library locations in Monterey County (City of Carmel-By-The-Sea, Monterey, Pacific Grove, and Salinas). HCD had an intern assist staff with completing the educational portion of the project from winter 2023 through spring 2024. The HHHSC, on July 26, 2024, received staff's presentation and requested that staff review the two StoryMaps related to equity and restrictive covenants and make revisions to ensure that the information in the StoryMaps is plainly stated. Staff has made responsive edits to the two StoryMaps. The StoryMaps are hosted on the County of Monterey's GIS Portal, which ensures they are living documents that can be edited and modified without impacting the public's ability to access them.

Despite initial delays with the County's AB 1466 process due to vendor software issues, the Recorder and its vendor have begun to identify and begin the redaction process for real property documents that contain unlawful language. The statutorily mandated program will be broken into three phases. The first phase of the project began in February of 2023 and is ongoing, and the Recorder currently has six staff members working on the project. The project's first phase involves documents from 1909 - 1977 and uses BMI Imaging Systems' (BMI) Optical Character Recognition (ORC) system. As of July 29, 2024, the Recorder has submitted 5,512 documents to County Counsel for determination and has recorded six documents submitted by mail and 4,942 documents submitted electronically through BMI's ORC system. The Recorder expects additional real property documents to be found as the process to comply with AB 1466 is expected to take multiple years. The second phase, which has yet to begin, will involve documents from 1850 - 1908 going through the Intelligent Character Recognition (ICR) process. This process will be used for handwritten documents, following the same workflow process as above. Phase three, which will begin at a later date, will involve documents from 1978 through the present, and again, the same workflow process will be followed.

The Recorder is currently reviewing 75-100 real property documents per week that were identified as possibly containing restrictive language. These documents are then submitted to County Counsel for review and determination if they need a Restrictive Covenant Modification (RCM). The Recorder will continue to submit 75-100 documents weekly to County Counsel for determination and record 20-30

documents daily or as they become available. The Recorder will not have a total number of RCM documents until the RCM document project is complete.

OTHER AGENCY INVOLVEMENT:

The Recorder’s Office (RO) and Office of County Counsel are charged with implementing the provisions of AB 1466. Staff from Housing and Community Development, Health Department, Assessor-County Clerk-Recorder, the Civil Rights Office, and the Monterey County Free Libraries collaborated to implement the restrictive covenant education project in Monterey County.

FINANCING:

The RO staff time to implement AB1466 and coordinate with County departments on this report is fully funded as part of the RO’s Fiscal Year 2024-2025 Adopted Budget, Fund 001, Appropriation Unit ACR002. The RO anticipates vendor costs for FY 24-25 associated with AB 1466 implementation will also be funded as part of the RO’s Adopted Budget. HCD staff time to create the StoryMaps and to prepare this report is funded in the FY 24-25 Adopted Budget, Fund 001, Appropriation Unit HCD002, Unit 8543.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Implementing AB 1466 and developing the restrictive covenant education project and equity timeline supports the Board’s Strategic Initiatives for Health and Human Services to promote access to equitable opportunities for healthy choices and healthy environments in collaboration with all communities. This work supports the County’s efforts to communicate and coordinate amongst County departments and partner agencies to provide equitable treatment and respect to all constituents.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Reviewed by: Natalie Alfaro Frazier, Senior Equal Opportunity Analyst
Approved by: Craig Spencer, HCD Director **CS**

The following attachments are on file with the Clerk of the Board:
Attachment A - Restrictive Covenant Educational Social Media Poster