



COUNTY OF HUMBOLDT

For the meeting of: 12/20/2022

File #: 22-1682

To: Board of Supervisors

From: Clerk/Recorder

Agenda Section: Consent

SUBJECT:

Restrictive Covenant Modification plan and fee pursuant to AB 1466

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the Clerk/Recorder's Restrictive Covenant Modification Program Plan pursuant to Government Code section 12956.3;
2. Authorize the Clerk/Recorder to charge a fee of \$2.00 for the recordation of every real estate instrument, paper, or notice required or permitted by law to be recorded per Government Code 27388.2 for the purpose of funding a restrictive covenant modification program through December 31, 2027;
3. Authorize the Clerk/Recorder to begin collection of the \$2.00 fee 30 days after approval for the purpose of developing and implementing a restrictive covenant modification program pursuant to Government Code section 12956.3(a).; and
4. Approve the Budget Adjustment of \$100,000 for the Recorder-Record Conversion Budget Unit 1310267 to purchase software to assist in searching and identifying documents, and hire extra help staff to assist with implementation of the project.

SOURCE OF FUNDING:

Fees collected at time of recording and existing funds in 1310267.

DISCUSSION:

The Clerk/Recorder, as the official custodian of records for the County of Humboldt, is responsible for maintaining real property records. AB 1466 requires the county recorder to establish a restrictive covenant modification program to assist in the redaction of unlawfully restrictive covenants (clauses that mandate housing 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) which are in violation of subdivision (l) of Government Code Section 12955. This action will enable the County's compliance with State legislation.

Subject to authorization from the Board pursuant to Government Code 27388.2, a county recorder shall impose a fee of \$2.00 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, for the purpose of funding the restrictive covenant modification program established under these provisions. The fee will be charged thirty (30) days after board approval. The bill

would exempt certain documents from the fee established pursuant to these provisions. It would prohibit a county recorder from charging the \$2.00 fee after December 31, 2027, unless the Board of Supervisors reauthorizes the fee for a maximum of five (5) additional years.

FINANCIAL IMPACT:

The Clerk/Recorder is working with BMI Imaging Systems to develop a software program that will search for documents, create a digital copy, redact restrictive language in a duplicate document and allow County Counsel to review the documents prior to recording. Estimated cost for BMI Imaging's software program is \$30,000. An additional \$26,800 to be budgeted for any modifications and/or additions to the project. The estimated staffing cost is \$43,200. Total estimated cost of this project is \$100,000 with dedicated fees covering roughly \$14,000 and existing 1310 funding covering the remaining balance.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by enforcing laws and regulations to protect residents .

OTHER AGENCY INVOLVEMENT:

County Counsel

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your board could choose to reject the Restrictive Covenant Modification Program and fee, however this is not recommended. Approval will ensure compliance with the new state law and enable the Clerk/Recorder to collect the additional fee to offset the cost of the program.

ATTACHMENTS:

Restrictive Covenant Modification Plan
Request for Budget Transfer/Adjustment

PREVIOUS ACTION/REFERRAL:

Board Order No.: NA
Meeting of: NA
File No.: NA