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DEPARTMENT OF  
FINANCE

FINANCE ADMINISTRATION

April 26, 2005

CITY OF SACRAMENTO  
CALIFORNIA

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Law & Legislation Committee  
Sacramento, California

Honorable Members in Session:

**SUBJECT: Assembly Bill 1574 relating to Housing Discrimination**

**LOCATION AND COUNCIL DISTRICT** Citywide

**RECOMMENDATION**

Staff recommends that the Law and Legislation Committee support Assembly Bill 1574 relating to housing discrimination.

**CONTACT PERSONS** Tina Lee-Vogt, Legislative Affairs Analyst - 808-2679

**FOR THE COUNCIL MEETING OF** May 3, 2005

**SUMMARY**

This report recommends that the Law and Legislation Committee support AB 1574 authored by Assembly Member Dave Jones which would authorize the City of Sacramento and the County of Sacramento to enact laws prohibiting discrimination in housing that are equal to, but no greater than, the protections against discrimination as provided by the Fair Employment and Housing Act.

**BACKGROUND**

The Fair Employment and Housing Act states the intent of the Legislature to occupy the field of regulation of discrimination in employment and housing encompassed by its provisions, exclusive of all other laws prohibiting discrimination in employment and housing by any city, county, city and county, or other political subdivision of the state, except as specified.

AB 1574 would authorize the City of Sacramento and the County of Sacramento, until January 1, 2010, to enact laws prohibiting discrimination in housing that are equal to, but no greater than, the protections against discrimination as provided by the act. It should be noted that the current text of the bill does not include the City of Sacramento. However, to correct this drafting error, this bill will be amended to add the City.

Sponsored by the Human Rights/Fair Housing Commission of Sacramento, AB 1574 would permit the City of Sacramento and the County of Sacramento to enact local laws mirroring state housing discrimination law. With this authority, the Commission would qualify for federal funding to investigate and resolve local housing discrimination complaints at the local level. According to Assembly Member Jones, other states, including Florida and Texas, already allow their local governments to enact laws that are deemed substantially equivalent to the federal Fair Housing Act. As a result, these local entities are accessing federal funds.

Several groups including the Apartment Association of Greater Los Angeles, the Apartment Association of Orange County, the California Apartment Association, and the California Association of Realtors oppose AB 1574.

Staff is recommending that the Committee support AB 1574 which would be the first step toward the goal of allowing local resolution of Sacramento housing discrimination complaints.

## **FINANCIAL CONSIDERATIONS**

There are no financial impacts related to this report.

## **ENVIRONMENTAL CONSIDERATIONS**

There are no environmental considerations related to this report.

## **POLICY CONSIDERATIONS**

The staff recommendation to support AB 1574 is consistent with the City's legislative principle to support measures which enhance local government authority.

## **ESBD EFFORTS**

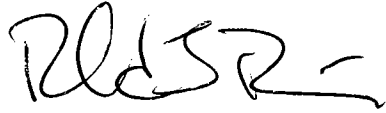
Not applicable.

Respectfully submitted,

A handwritten signature in cursive script that reads "Tina Lee-Vogt".

Tina Lee-Vogt  
Legislative Affairs Analyst

RECOMMENDATION APPROVED

A handwritten signature in cursive script that reads "Ken Nishimoto".

KEN NISHIMOTO  
Assistant City Manager

Attachments:

Assembly Bill 1574 - Bill Text, page 4

Assembly Bill 1574 - Assembly Committee on Judiciary Analysis, page 6

Letter of Support, page 9

AMENDED IN ASSEMBLY APRIL 7, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1574**

**Introduced by Assembly Member Jones**

February 22, 2005

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~~An act relating to housing discrimination. An act to add and repeal Section 12994 of the Government Code, relating to housing discrimination.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1574, as amended, Jones. Housing: discrimination.

(1) *The Fair Employment and Housing Act states the intent of the Legislature to occupy the field of regulation of discrimination in employment and housing encompassed by its provisions, exclusive of all other laws prohibiting discrimination in employment and housing by any city, county, city and county, or other political subdivision of the state, except as specified.*

*This bill would, notwithstanding these provisions, authorize the County of Sacramento, until January 1, 2010, to enact laws prohibiting discrimination in housing that are equal to, but no greater than, the protections against discrimination as provided by the act.*

(2) *This bill would also make legislative findings and declarations regarding the need for special legislation.*

~~Under existing law, it is unlawful for the owner of any housing accommodation to discriminate against or harass any person because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability of that person.~~

~~This bill would declare the Legislature's intent to enact legislation to address housing discrimination issues.~~

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

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

~~SECTION 1. It is the intent of the Legislature to enact  
legislation to address housing discrimination issues.~~

SECTION 1. Section 12994 is added to the Government  
Code, to read:

12994. (a) Notwithstanding Section 12993, the County of  
Sacramento may enact laws prohibiting discrimination in  
housing that are equal to, but no greater than, state laws  
prohibiting discrimination in housing, as set forth in this part.

(b) This section shall remain in effect only until December 31,  
2009, and as of that date is repealed.

SEC. 2. The Legislature finds and declares that this act,  
which is applicable only to the County of Sacramento, is  
necessary because the provisions of this act will serve as a pilot  
program for extending authority to enact laws prohibiting  
discrimination in housing to every city, county, city and county,  
and other political subdivision in the state. The Legislature finds  
and declares that a special law is necessary and that a general  
law cannot be made applicable within the meaning of Section 16  
of Article IV of the California Constitution because of the need to  
enact this act on a trial basis only, applied to one county only,  
prior to extending the act to every city, county, city and county,  
and political subdivision in the state.



## 2005 CA A 1574 : Bill Analysis - Assembly Committee on Judiciary - 04/19/2005

### BILL ANALYSIS

Date of Hearing: April 19, 2005

ASSEMBLY COMMITTEE ON JUDICIARY

Dave Jones, Chair

AB 1574 (Jones) - As Amended: April 7, 2005

SUBJECT: HOUSING DISCRIMINATION: SACRAMENTO PILOT

KEY ISSUE: SHOULD A TEMPORARY PILOT PROGRAM BE ESTABLISHED ALLOWING SACRAMENTO TO ENACT HOUSING DISCRIMINATION LAW S THAT ARE EQUAL TO BUT NOT GREATER THAN EXISTING STATE LAW S PROHIBITING HOUSING DISCRIMINATION IN ORDER THAT LOCAL COMPLAINTS MAY BE INVESTIGATED AND RESOLVED AT THE LOCAL LEVEL?

### SYNOPSIS

This bill, sponsored by the Human Rights/Fair Housing Commission of Sacramento, would permit the City of Sacramento and Sacramento County to enact local laws mirroring state housing discrimination law. With this authority, they would qualify for federal funding so that local housing discrimination complaints could be investigated and resolved at the local level. This temporary authorization would be automatically repealed at the end of three years. Landlord groups are opposed. While acknowledging that the bill would not permit Sacramento to impose more stringent housing discrimination laws, they contend that the bill will nevertheless cause uncertainty and confusion, establish a precedent for the creation of different and potentially inconsistent local housing discrimination laws, complicate the management of rental housing, impose a costly program on local governments and threaten federal funding.

SUMMARY: Establishes a temporary pilot program for Sacramento to aid in local efforts to combat unlawful housing discrimination.

Specifically, this bill:

- 1) Provides that the City of Sacramento and County of Sacramento may enact laws prohibiting discrimination in housing that are equal to, but no greater than, state laws prohibiting discrimination in housing, as set forth in this part.
- 2) Sunsets on December 31, 2009.

EXISTING LAW provides that it is the intention of the Legislature to occupy the field of regulation of discrimination in employment and housing encompassed by the provisions of this part, exclusive of all other laws banning discrimination in employment and housing by any city, city and county, county, or other political subdivision of the state. (Government Code section 12993(c).)

FISCAL EFFECT:

As currently in print, this bill is keyed non-fiscal.

COMMENTS:

The author states that this bill will allow the City of Sacramento and Sacramento County to enact housing discrimination laws equal to, but no stronger than, those provided for under state law. Were Sacramento to do so, it would become eligible under federal law to apply for federal funds to investigate and resolve discrimination complaints at the local level.

Such federal funding would not be guaranteed. In order to qualify, Sacramento would have to demonstrate to the satisfaction of the federal Department of Housing and Urban Development (HUD) that it can enforce fair housing law that is "substantially equivalent" to the federal Fair Housing Act. According to the author, HUD has determined that state law is "substantially equivalent" to the federal act. If this bill was enacted, supporters state, "The City and County of Sacramento through its Human Right/Fair Housing Commission could apply for this funding so long as these respective jurisdictions enacted housing discrimination laws equivalent to [state law] and had HUD certify this to be the case."

The author reports that other states, including Florida and Texas, already allow their local governments to enact laws that are deemed substantially equivalent to the federal Fair Housing Act. As a result, the author states, these local entities are accessing federal funds. According to the author, these monies are not allocated on a per capita basis. Rather, funds are appropriated each year by Congress, and jurisdictions are funded based on their case load.

As the first step toward the goal of allowing local resolution of Sacramento housing discrimination complaints, this bill would temporarily suspend state pre-emption of local housing discrimination laws for the City of Sacramento and Sacramento County. This law currently precludes eligibility for federal funding.

ARGUMENTS IN OPPOSITION: The California Apartment Association (CAA) filed late opposition to the bill. While CAA acknowledges that the measure "does not allow Sacramento to impose more stringent discrimination laws," CAA contends that "the battle will certainly ensue over interpretation. Undoubtedly, there will be significant confusion and debate over the city's authority under AB 1574 and the exact interpretation and meaning of the promulgated local fair housing regulations." CAA also argues that the bill "will set the precedent for the creation of different, and potentially inconsistent, local housing discrimination laws through out the State of California. Under current law, housing providers can look to consistent and uniform state and federal fair housing laws and determine how to operate their business in an ethical, professional, and legal manner. The Department of Fair Employment and Housing

oversees discrimination issues on a statewide basis and has implemented and interpreted statewide standards that owners understand. At the same time, organizations like CAA have created education courses that teach rental property owners and professionals how to operate property consistent with existing fair housing laws. The justification for the bill is unclear. [This] legislation will further complicate the management of rental housing, particularly for the many persons who manage rental property in multiple jurisdictions." CAA also asserts that the bill could jeopardize important federal funding.

The California Association of Realtors and the Apartment Association of Greater Los Angeles also filed late opposition. CARS states, "The State Department of Fair Employment and Housing is readily accessible for all concerned. Significant educational efforts have proven to be very successful. Processing discrimination complaints is standardized and is expeditious. Resolution of acts of discrimination is quick, easily understood and uniform. Thus, we submit any change in this procedure is unnecessary. Landlords and property managers rely on clear and consistent interpretation, application and enforcement of law. This bill could easily disrupt this by different interpretations of law. The bill will cost a significant amount of money to establish and administer. Most of which will not be paid for by the federal government. It would appear to be ill advised that at the time local government is short in tax revenue the Legislature is considering creating unneeded [sic] program." To the same effect is the letter of the Apartment Association of Greater Los Angeles (AAGLA), which contends, "The Department of Fair Employment and Housing is doing its job overseeing discrimination issues on a statewide basis with a set of statewide standards that owners understand, with consistent interpretation. We do not understand the need for each community to have its own ordinance. It is important that there be one body of law for all to look to. There is no definition in the bill as to what 'no stronger' means. Therefore there could be significant confusion and dispute over a city's power to act in a certain way. Different language leads to widely and often wildly different interpretations of the meaning of an ordinance, even if local jurisdictions believe they are merely restating existing laws. Many owners manage property in multiple jurisdictions. Inconsistent ordinances and interpretations can create great confusion and potential liability, even for an owner acting in good faith."

Author's Clarifying Amendment. In order to correct a drafting error, the author appropriately proposes to amend the bill to add the City of Sacramento.

#### REGISTERED SUPPORT / OPPOSITION:

##### Support

Human Rights/Fair Housing Commission of Sacramento (sponsor)

##### Opposition

Apartment Association of Greater Los Angeles (late) Apartment Association of Orange County (late)  
California Apartment Association (late) California Association of Realtors (late)

Analysis Prepared by: Kevin G. Baker / JUD. / (916) 319-2334



May 3, 2005

Honorable Dave Jones  
California State Assembly  
State Capitol  
Sacramento, CA 95814

**Support: Assembly Bill 1574 relating to Housing Discrimination**

Dear Assembly Member Jones:

On behalf of the City of Sacramento, I am pleased to express the City's support of Assembly Bill 1574 relating to housing discrimination. AB 1574 would be the first step toward the goal of allowing local resolution of Sacramento housing discrimination complaints.

Thank you for introducing this important housing discrimination legislation.

Sincerely,

LAUREN HAMMOND, Chair  
Law and Legislation Committee

CC: Mayor Fargo and Members of the City Council  
Senator David Cox  
Senator Deborah Ortiz  
Assembly Member Alan Nakanishi  
Assembly Member Roger Neillo