



A Practical Playbook to Complying with AB-1466

Exclusively for California
County Recorders





Although restrictive covenants have been legally unenforceable for decades, the hurtful, discriminatory language continues to be an ugly reminder of their existence. As conversations around diversity, equity, and inclusion take center stage for your constituents, eradicating discriminatory language from restrictive covenants is an opportunity for you to put your mark on history.

What's inside your playbook

This 14-page playbook was developed by the team at Kofile to help our customers navigate the intricacies and complexities of California's elusive AB-1466 signed into law by Governor Gavin Newsom. Inside this playbook you'll find:

- How correcting the negative ramifications of previous discriminatory laws and educating constituents builds stronger, more inclusive communities
- The solutions available for complying with AB-1466: the pros and cons of each
- Why choosing the right approach is vital to the success of your project
- How a full-service solution that combines software and human expertise with the latest technology and thorough quality control procedures is the best approach for meeting AB-1466 requirements on time, on budget, and done right
- Why all vendors are not created equal. What you really need from a comprehensive AB-1466 solution.

What's behind AB-1466? A primer on this high-profile California legislation

Homeownership has always been the American dream. Its significance is so ingrained that California's constitution inscribes the inalienable right of citizens to acquire, possess, and protect property. But that dream was never equally attainable for citizens of all races and genders.

In the early 1900s, the opportunity for better access to wealth attracted skilled black migrants to California. And many moved into the middle-class where homeownership in traditionally white neighborhoods was within reach. To safeguard these neighborhoods against community integration, federal and local governments enacted discriminatory programs and racially restrictive covenants to prohibit minority classes from purchasing, leasing, or occupying properties. And while those covenants are illegal today, many remain on property records throughout California.

California Assembly Bill No. 1466 (AB-1466) aims to redact discriminatory restrictive covenants from land and property records. Restrictive covenants have created community segregation and inequitable housing access for generations of minority classes. And spreading awareness and removing them from property records is a meaningful step toward greater diversity and inclusion in California counties.

AB-1466 tasks California county recorders with this vital role of removing discriminatory language from land and property records. As the custodian of historical records, it's your opportunity to inform constituents on their county's story and educate on how these restrictive covenants impacted the makeup of their neighborhoods.

What are the AB-1466 requirements for county recorders?

You're likely well aware of California AB-1466 already. But the requirements are fuzzy. At a high level, here's what is included in the law and what you need to do to comply:

- Establish a Restrictive Covenant Modification ("RECOMP") program to locate, review, and remove unlawfully restrictive covenants including age, race, color, gender, sex, religion, disability, marital status, and others from land and property records
- The established program must:
 - Identify and redact unlawfully restrictive covenants in the records—subject to county counsel approval—so that it's not readable or visible
 - Provide the redacted and original version of the document for county counsel approval
 - Retain both the redacted and original version for county records
- Provide a publicly available RECOMP implementation plan to the state for removing unlawfully restrictive covenants from land and property records by July 1, 2022
- The California Recorders Association of California must submit reports to the state legislature on January 1, 2023 and 2025 on the progress of each county's restrictive covenant program

While California leads the nation by enacting state-adopted regulations for removing restrictive covenants, there remain many compliance questions. And few resources to help you navigate the arduous process of reviewing, redacting, and preserving millions of land and property records.

That's why Kofile—the experts in sensitive document imaging, indexing, redaction, and preservation—created this practical playbook to help you untangle the legislation and walk through the available solutions for complying with AB-1466.

An unprecedented opportunity to commit to fair and equitable treatment for all constituents

Although restrictive covenants have been legally unenforceable for decades, the hurtful, discriminatory language continues to be an ugly reminder of their existence. As a custodian of historical records, this is your chance to educate your community on its history and preserve the past while righting the wrongs.

A proactive effort to comply and showcase the before and after results of redaction and preservation work will be applauded. While inaction adds fuel to the frustration already felt by constituents. And the reality is local media and watchdogs may surface that frustration in your next election cycle.

AB-1466 is both a challenge and an unprecedented opportunity to leave a legacy and make a mark on history. Your commitment to fair and equitable treatment for all constituents sends a strong message those that the restrictive covenants aimed. Your leadership in righting the wrongs of educating constituents of its existence and a stronger, more equitable and inclusive future Californians.



The approach matters. An introduction to AB-1466 solutions

You've decided to take action. And you've submitted your RECOMP plan to the state and made it publicly available. Now comes the hard part. Selecting the right AB-1466 solution is as vital as the records and makes a big difference in your eventual success. The work of identifying and redacting restrictive covenants from millions of land and property records is time-consuming, challenging and complex.

So, what are your options for complying with the state mandate?

There are 3 possible solutions for meeting the requirements of AB-1466



Manage the process in-house

Develop a plan, procure resources, then have your staff manually review millions of county land and property records, submit for counsel approval, and record the redacted and original versions



Administer a hybrid in-house and software solution

Develop a plan, procure a software vendor to identify potentially discriminatory restrictive covenants from millions of county land and property records, then have your in-house staff review hundreds of thousands of flagged documents (typically around 3.5% of total documents), submit for counsel approval, and your in-house staff records the redacted and original versions



Partner with a full-service team

Develop a plan, procure a full-service expert team to manage the process of using software to identify potentially discriminatory restrictive covenants from millions of county and land property records, then have redaction and preservation experts review hundreds of thousands of flagged documents (typically around 3.5% of total documents) and submit electronically for counsel review. Recording the redacted and original versions by your in-house staff is the final step



The pros and cons of in-house, hybrid, and full-service solutions

There are pros and cons to each of the 3 solutions. You want to comply as effectively and efficiently as possible. So, let's take a look at them to identify what's best for your county.

| Solution | Pros | Cons |
|--|--|--|
|  <p>Manage the process in-house</p> | <ul style="list-style-type: none"> ➤ Staff institutional knowledge can be used to identify restrictive covenants prevalent in the county to speed up document location ➤ More cost-effective than hybrid or full-service solutions | <ul style="list-style-type: none"> ➤ Time and resource-intensive, taking staff away from vital county work ➤ Risk of delays or missing AB-1466 deadlines with no dedicated resources managing the project end-to-end and during high volume recording periods ➤ High likelihood for human error, risking false positives or negatives and wasting county counsel time ➤ High likelihood of missing unlawful restrictive covenants from limited expertise with translating cursive handwriting or analog typescript ➤ Risk of damage to documents if not handled correctly |
|  <p>Administer a hybrid in-house and software solution</p> | <ul style="list-style-type: none"> ➤ Greater speed by using software to identify discriminatory restrictive covenants ➤ Document digitization can be done alongside the AB-1466 project ➤ More efficient than using in-house resources to identify unlawful restrictive covenants | <ul style="list-style-type: none"> ➤ Time and resource-intensive for staff to review flagged documents, taking them away from vital county work ➤ Risk of delays or missing AB-1466 deadlines when there are no dedicated resources managing the project end-to-end and during high volume recording periods ➤ High likelihood for human error, risking false positives or negatives and wasting county counsel time ➤ High likelihood of missing unlawful restrictive covenants from limited expertise with translating cursive handwriting or analog typescript ➤ Potentially more expensive than in-house solution |

| Solution | Pros | Cons |
|--|---|--|
|  <p>Partner with a full-service team</p> | <ul style="list-style-type: none"> ➤ Greater speed and accuracy with a workflow that combines software with human experts to identify and review discriminatory restrictive covenants ➤ Peace of mind that the project will be done right with a company that stands by the quality of our workmanship ➤ On-time and on-budget delivery with a dedicated team of specialists managing the project end-to-end ➤ More efficient than other solutions, reducing drain on in-house staff and saving county counsel time ➤ High-quality document imaging, indexing, and preservation can be done by experts alongside the AB-1466 project | <ul style="list-style-type: none"> ➤ Potentially more expensive than in-house or hybrid solutions |

The value of a full-service redaction-to-approval compliant solution

A full-service expert team that combines software with human expertise is the preferred solution for ensuring your AB-1466 project is done on time, on budget, and done right for future generations. Why? Because your records deserve it. Entrusting experts with their care is the only way to fulfill your duty of preserving its usability and integrity forever. And while your in-house staff may be able to manage the project when there's low demand for recording, it's unsustainable during high volume periods.

For example, a California county recently provided Kofile with over 1.2 million land and property records to scan for unlawful restrictive covenants. The software flagged 3.5% of the documents as having potentially unlawful restrictive covenant phrases. Expert humans had to review over 52,500 documents to check for inaccuracies and remove false positives. Many California counties have tens of millions of property records that require redaction and review. Regardless of how well-staffed your office may be, reviewing hundreds of thousands or millions of documents is likely beyond your capacity.

There's science and art to redaction and preservation. AI software can accelerate the identification of potentially discriminatory language from property documents. That's the science. But it's not enough.

Redaction accuracy also requires art. That's where the art of a well-documented strategy and a team of specialists that review every potential redaction for context and accuracy can help. Alongside a connected records workflow that brings science and art together, a full-service solution is the best choice for complying with AB-1466 requirements efficiently and accurately.

Breaking down the key components of a full-service solution

So, you've made the decision to go with a full-service solution. Smart choice. A full-service solution gives you complete peace of mind that you'll have a positive outcome; one you won't have to revisit or worry about making costly mistakes.

But what are the essential elements of a full-service partnership?

All partners are not created equal. That's why we've created the following checklist to help you find a comprehensive partner to meet your needs. Here are the most critical questions to ask any potential vendor and why they should matter to you.



A dedicated expert team managing your AB-1466 project

How many people are dedicated to my project and what is their experience handling local government documents?

A comprehensive solution requires a dedicated team of experts managing your project end-to-end to guarantee a quality experience and accurate results. And not just any team. You need a highly trained onshore team that specializes in handling sensitive local government documents day-to-day. That means understanding how to translate cursive handwriting from historical manuscripts, reading typescript from electronic typewriters used for many decades, and working with vulnerable analog media such as microfilm.

This expert team should include:

Project manager

Day-to-day contact providing reporting and communication to you and your team on the project, and ensuring the rest of the team is progressing on budget and according to schedule



Data engineer

Responsible for handling your electronic property records and preparing them for the Optical Character Recognition (OCR) software and Artificial Intelligence (AI) technology that will locate potentially unlawful restrictive covenants; also ensures final data is delivered in the format required for your software of record



Redaction specialist

Trained expert in translating 100+ year old cursive handwritten records, hand-drawn diagrams, typescript, and microfilm; responsible for reviewing potentially unlawful restrictive covenants from land and property records, recommending additional search criteria for restrictive covenants, and removing false positives and negatives



Quality control (QC)

Trained expert in handling historical government records, responsible for providing rigorous and randomized quality control to ensure removal of unlawful restrictive covenants and preventing false positives or negatives from heading to county counsel review



Strict quality control measures to remove false positives or negatives

What quality control measures do you have to ensure redaction accuracy?

A quality solution offers multiple layers of both software and human-centered quality control to avoid wasting any time from your staff or county counsel. It's why you chose to go with a full-service solution to begin with. Locating a word or phrase in a document does not mean it's an unlawfully restrictive covenant. The context matters in redaction.

For example, the word "white." Does the language suggest a neighborhood can only be occupied by "white" people or is it referring to a "white" fence? And redacting the entire sentence or paragraph may be necessary to remove the unlawful restrictive covenant. That can only be done by human experts skilled and trained in the nuances of the language and in redaction best practices. Removing those false positives or negatives is part of a strict quality control process.

Furthermore, your software should trigger human review whenever there's doubt. A short-tail keyword search is a methodology that increases the likelihood of flagged pages for human review, especially when pages are handwritten, have limited legibility, or contain compromised images. This ensures that a human expert reviews any potentially unlawful restrictive covenants in more cases, rather than relying on the software alone.

Locating a word or phrase in a document does not mean it's an unlawfully restrictive covenant. The context matters in redaction.

Expertise and high-quality imaging of local government documents

What's your experience imaging local government records? What are your imaging capture and accuracy rates?

If you haven't already converted your vulnerable analog property records to digital media, you'll need to press fast-forward on that project to take advantage of using software for locating and redacting restrictive covenants. It's also far more cost-effective to complete both projects in parallel. That's why choosing a partner with a comprehensive approach that includes high-quality imaging, indexing, redaction, and preservation services is vital. An experienced partner can configure a workflow that images and indexes any undigitized documents alongside your redaction requirements for AB-1466 compliance.

Furthermore, you'll want a partner that has experience working with sensitive local government documents that may come in a variety of sizes, ages, and conditions. Your sensitive documents are irreplaceable. A quality provider will have well-trained technicians and state-of-the-art technology and equipment to handle all sensitive document types with care, and produce high capture and accuracy rates.

Automated workflow and a dedicated portal for county counsel approval

What's the process for getting approval on unlawful restrictive covenants from county counsel?

Only your county counsel has the authority to approve redactions on land and property records, so having an efficient process is critical. That starts with a high accuracy rate. Your partner's expert team should have removed false positives and negatives before ever reaching your county counsel to avoid wasting their time.

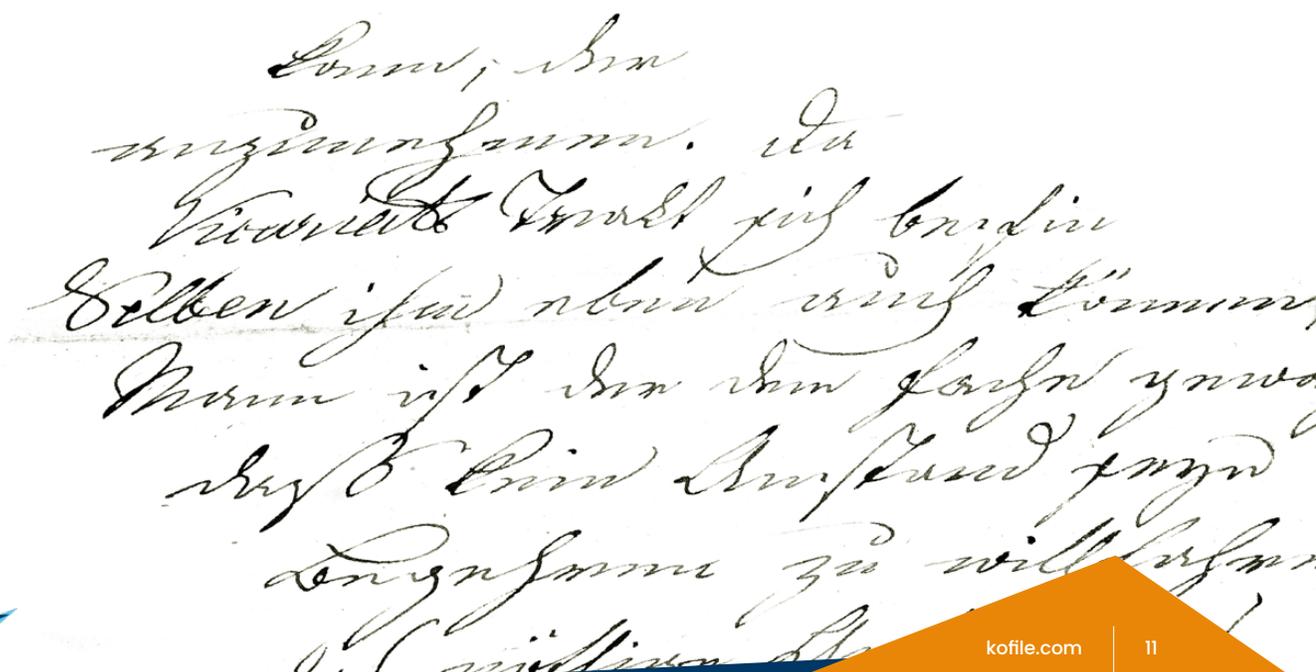
Additionally, there are two aspects to look for as it relates to technology and workflow for county counsel approval. The first is the auto-generation of a Restrictive Covenant Modification (RCM) form that's auto-filled from the indexed property records. The second is a secure and encrypted web portal that makes it easy for county counsel to review all RCM submissions and approve them quickly and efficiently. Both are needed in an effective solution.

Advanced Optical Character Recognition (OCR) engine and algorithms

What is your accuracy rate for locating restrictive covenant words and phrases from handwritten documents?

Local government documents are notoriously difficult to handle. Many are handwritten in cursive that are hundreds of years old. Others come in a variety of paper sizes and thickness, ages, and conditions. You'll need a provider with an advanced OCR engine and algorithms to locate potentially restrictive covenants at scale with high accuracy.

The right partner invests in state-of-the-art technology and facilities to handle a variety of documents and can scale to millions of records while maintaining a high accuracy rate. The OCR engine goes beyond locating keywords, but identifies entire phrases for potentially unlawful restrictive covenants. Combined with advanced algorithms that can locate keywords or phrases, even when there are missing values or include illegible words, increases your redaction accuracy rates.



Configurable workflow based on your county's unique requirements

Can I configure my workflow based on my county's specific requirements?

While you should be able to rely on your full-service partner to provide much-needed expertise and workflow recommendations, you know what works best for your county. A full-service solution can adjust to your needs in its workflow. For example you may need to modify the words and phrases to search for based on what's prevalent in your county. Or you'd like to be more hands-on and be part of the restrictive covenant redaction approval process. Some of your property documents may not be digitized and you'd like to image and index those in parallel. The right partner must be accommodating and flexible to your county's unique needs.

Comprehensive customer support and project warranty

How will you support me in complying with AB-1466 requirements and what kind of warranty do you have?

AB-1466 compliance is a complex, resource and time-intensive undertaking. You want to know the partner you've selected will be with you the entire way and after the project completes should you need any support. That's where having multiple experts and customer support channels available to you and your team are critical in a partner.

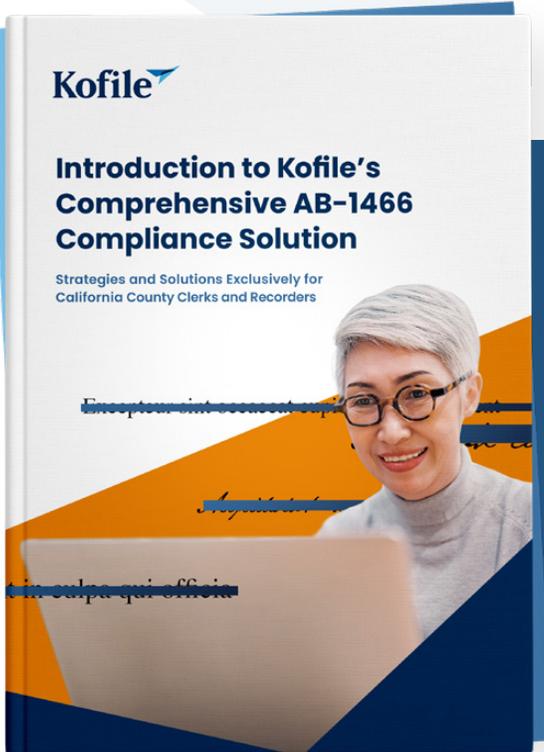
And what if the project doesn't produce high-quality results? Or there are delays and further questions after it's been completed. A project warranty from your partner not only protects you when a project doesn't go as planned but provides you with an extra level of confidence that your selected vendor has the expertise to guarantee your success.



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About Kofile's comprehensive AB-1466 solution

“Do it once, do it right, done forever.” Kofile has been the most reliable partner for local governments since 1832. Our proprietary patented solutions designed specifically for local government spans imaging, indexing, redaction and preservation services of sensitive historical documents. The unique combination of our state-of-the-art AI technology paired with fully onshore and full-time expert technicians guarantees 100% redaction accuracy. When you work with Kofile for your AB-1466 project, you'll have complete peace of mind that it will be done on time, on budget, and done right forever to meet state mandates.



Download Kofile's comprehensive AB-1466 solutions overview

GET THE OVERVIEW

Speak to a Kofile AB-1466 redaction and preservation expert

It's time to take action on your AB-1466 plan. Your community is counting on your leadership. To start putting your plan into action, contact Kofile for a complimentary 30-minute consultation.

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Kofile provides trusted, comprehensive preservation, restoration, imaging, and indexing solutions to ensure local, county, and state officials can accurately and efficiently preserve vital, property, and historical records. Working with more than 3000 government agencies, Kofile's patented, proven process enables officials to be custodians of history providing their citizens easy access to information to create thriving communities.

Kofile
Do it once. Do it right. Done forever.

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