



## Civil Rights Department

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### Undercover Fair Housing Test Leads to Reform at More Than Two Dozen Apartment Complexes Across California

*Settlement requires Village at Redondo and Lyon Management Group to prohibit any blanket bans on renting to people who have previously been involved with the criminal legal system*

**SACRAMENTO** – The California Civil Rights Department (CRD) today announced a fair housing settlement with Village at Redondo and Lyon Management Group, which manages more than two dozen apartment complexes across California. The settlement comes after [fair housing testing funded by CRD](#) identified evidence of potential discrimination against applicants with a criminal history at a property in Redondo Beach in Los Angeles County. The settlement requires the companies to prohibit any blanket bans on renting to people who have previously been involved with the criminal legal system.

“Everyone deserves to have a place to call home,” said **CRD Director Kevin Kish**. “Automatically rejecting renters because of irrelevant arrests or convictions is incompatible with our state’s civil rights protections. We can all contribute to public safety by making sure everyone has a fair chance at making a living or having a place to live. Housing stability is a critical first step to ensure people can reintegrate into their communities.”

#### Allegedly Locked Out of Housing

In 2024, CRD sponsored testing through the [Housing Rights Center](#) to help identify and protect Californians against discrimination in housing. The tests, which were conducted across dozens of housing providers and property management companies, identified ongoing and wide-ranging discrimination across Los Angeles County and Ventura County, including alleged discrimination at a 332-unit apartment complex called Ocean Club. The tests conducted over the phone at Ocean Club, which is operated by the Lyon Management Group and owned by Village at Redondo, identified multiple instances of property management allegedly telling undercover applicants that the apartment had a policy that “all occupants over 18 must have a clear criminal history,” including “no felony convictions.”

Under California's Fair Employment and Housing Act and its related regulations, housing providers cannot put in place blanket bans on renting to people who have previously been involved in the criminal legal system. Such bans may disproportionately impact prospective Black and Latino tenants, perpetuate historical housing segregation patterns, and serve as a pretextual cover for intentional discrimination. Under regulations that implement California's Fair Employment and Housing Act, housing providers should not consider convictions that are not directly related to tenancy. In addition, any consideration of a conviction must be individualized, based on the nature and severity of the underlying offense, as well as the amount of time that has passed. For instance, a 7-year-old conviction for a driving offense would not likely be directly related to an applicant's ability to fulfill financial obligations because there is no rational relationship between the violation and a potential business interest.

### **State Reins In Alleged Blanket Ban**

After conducting an initial investigation, CRD filed a director's complaint against Village at Redondo and Lyon Management Group alleging ongoing discriminatory practices. A director's complaint is one tool the department uses to help address potential violations on behalf of a group of individuals or otherwise resolve broader civil rights concerns identified during an investigation.

Following the director's complaint, CRD provided the companies an opportunity to voluntarily resolve the allegations through mediation and reached a settlement. As a result of the settlement, the companies, without admitting liability, will:

- Revise their tenant screening policy for all their properties in California to prohibit any automatic denials of applicants with criminal histories.
- Train all leasing agents at their properties in California on state protections regarding fair housing and criminal history.
- Distribute information on California's fair housing and criminal history protections to all staff involved in leasing their properties in the state.
- Display posters on state fair housing protections at all their properties.
- Submit to three years of monitoring by CRD to ensure compliance with the terms of the settlement.

If you or someone you know has experienced housing discrimination, CRD may be able to assist you through its [complaint process](#). The department also [provides general information and factsheets online](#) about civil rights protections, including on [fair housing and criminal history](#).

The settlement announced today was secured by Staff Counsel Nassim Moallem, Associate Chief Counsel Azadeh Hosseinian, and Assistant Chief Counsel Nadia Aziz. It was mediated by Attorney Mediator Rebecca Schonberg.

You can learn more by [reading a copy of the settlement](#).

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*The California Civil Rights Department (CRD) is the state agency charged with enforcing California's civil rights laws. CRD's mission is to protect the people of California from unlawful discrimination in employment, housing, public accommodations, and state-funded programs and activities, and from hate violence and human trafficking. For more information, visit [calcivilrights.ca.gov](https://calcivilrights.ca.gov).*

