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Office of the City Auditor  
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August 7, 2018

LaTonda Simmons, City Clerk  
1 Frank H. Ogawa Plaza  
Oakland, CA 94612

RE: Financial Analysis of Just Cause Amendments Measure for November 2018 Ballot

Dear City Clerk:

I am pleased to submit an impartial analysis of the *Just Cause Amendments Measure*, which proposes to amend The Just Cause for Eviction Ordinance (Oakland Municipal Code "O.M.C." 8.22.300) to the November 2018 ballot.

The Office of the City Auditor prepared this analysis in accordance with Municipal Code Section 3.08.210, which requires the Office prepare an impartial financial analysis of each measure qualifying for ballot placement.

If you have any questions, please contact Carlos Hickerson, Assistant City Auditor at 510-238-7609.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brenda D. Roberts". The signature is fluid and cursive.

Brenda D. Roberts  
City Auditor

## Summary

The Just Cause for Eviction Ordinance (Just Cause) was adopted by voters on November 5, 2002 (Oakland Municipal Code "O.M.C." 8.22.300) and places restrictions on tenant evictions. Presently, Just Cause covers all units on which construction was completed on or before December 31, 1995, with several exemptions, listed under O.M.C Section 8.22.350.

If the Measure is adopted by a majority (more than 50%) of voters, it would amend O.M.C. 8.22.300 by

- 1) eliminating the exemption for owner-occupied duplexes and triplexes from the Just Cause for Eviction Ordinance,
- 2) allowing City Council, without returning to the voters, to modify the Just Cause for Eviction Ordinance by adding limitations on a landlord's right to evict, without modifying any exemption from the Ordinance contained in O.M.C. Section 8.22.350, and
- 3) adding a subsection under O.M.C. Section 8.22.390, giving City Council the ability to amend the Just Cause Eviction Ordinance to conform to court decisions or state laws.

While the Measure would extend Just Cause eviction requirements to owner-occupied duplexes and triplexes, tenants in these units would not be provided the protections under the City's Rent Adjustment Program Ordinance (O.M.C. 8.22.020). For instance, landlords would not be required to obtain advance approval before raising rents more than the cost-of-living adjustment.

## Financial Impact

Currently, there are approximately 8,000 duplex and triplexes in the City of Oakland. It is estimated approximately half of those are owner-occupied and would fall under the Just Cause ordinance.

Per O.M.C. Section 8.22.500 (Rent Program Service Fee), fees are charged against residential rental units that are subject to either the Rent Adjustment Ordinance, the Just Cause for Eviction Ordinance, or both. Currently, the annual service fee is \$68 per rental unit (of which owners may pass through one-half of the annual fee to the tenant).

Under this Measure, we estimate the City would collect additional revenues between \$612,000 and \$748,000 annually. All funds collected would be designated to support the City's Rent Adjustment Program and Just Cause operations and administration.

The implementation of these regulations based upon current staff allocations would have an estimated start-up and annual cost consisting of salaries and benefits of:

- Year one (includes start-up costs): \$92,000

- Subsequent annual costs: \$78,000

This Measure would go into effect ten (10) days after the vote is declared by Oakland City Council.

**Disclaimer**

The Office of the City Auditor has not audited and, as such, has not validated the City of Oakland Housing and Community Development Department's housing data and salary analysis that supports this Measure. References to this data in our independent analysis represent the best data available at this time.