



CITY OF OAKLAND
Office of the City Auditor



INDEPENDENT CITY AUDITOR. REPORTING DIRECTLY TO THE RESIDENTS.

Office of the City Auditor Update

September 6, 2022

Released Financial Analyses for November Ballot Measures

Oakland Municipal Code Section 3.08.210, requires my Office to prepare an impartial financial analysis of each measure qualifying for ballot placement. As such, my Office recently completed the financial analyses for 8 ballot measures which will be on the November 2022 ballot. Below are high-level descriptions of the Measures and our independent financial analyses to help Oakland voters better understand these Measures and their financial implications. To learn more, click the titles of the measures below.

- [Article 34 Affordable Housing Authorization - November Ballot Measure](#)**: This proposed ordinance would authorize the City to develop, construct, or acquire up to 13,000 low-rent social housing units in the City for the purpose of providing affordable rental housing to households and individuals with low incomes. It also authorizes the City to take any actions necessary to implement the ordinance subject to applicable laws, including causing or assisting private sponsors to develop such housing. *This measure, by itself, will have minimal fiscal impact on the City, as it is only authorizing the City to develop, construct or acquire low rent housing units, as required by Article 34 of the California State Constitution. It does not approve any specific low-rent housing project(s) or identify funding for any such projects.*
- [Campaign Reform - November Ballot Measure](#)**: This Measure would repeal the Limited Public Financing Act, which has been in effect since 1999, and enacts the Fair Elections Act (Act) enabling resident allocation of public financing for elective office campaigns. It would also modify the Campaign Reform and Lobbyist Registration acts and fund the Public Ethics Commission to implement the new Act. This Act would first apply to the 2024 elections. *If the measure passes, and if the City Council adopts such an ordinance in the future, we estimate the City would incur approximately \$700,000 in one-time start-up costs, approximately \$1,600,000 in annual operating costs, and \$3,845,000 in additional budget appropriations every two years to the Democracy Dollar Fund.*
- [Gender Neutral Language Including Pronouns - November Ballot Measure](#)**: This Measure would amend the City Charter in its entirety to replace gender specific language with gender neutral and gender inclusive language, including gender neutral pronouns. *This measure will have a very minimal financial impact to the City.*
- [Government Reform Charter Amendments - November Ballot Measure](#)**: The Government Reform Charter Amendment analysis was completed by the Berkeley City Auditor and her team, as parts of the Ballot Measure pertain to my office, therefore we could not perform the independent financial analysis. This measure would amend the City Charter to establish term limits for councilmembers, revise council meeting procedures for ballot measures and the Mayor's tie-breaking votes, and authorize the Public Ethics Commission to set the salaries of the City Attorney and City Auditor, as well as change the formula for determining councilmember salaries. Additionally, this measure would clarify the duties of the City Auditor and set minimum staffing levels for the office. *According to Berkeley's City Auditor, this Measure will cost the City an estimated additional \$858,199 annually in staffing costs.*

- **Just Cause Amendment - November Ballot Measure:** This measure would amend the Just Cause for Eviction Ordinance (Measure EE passed by Oakland voters in November 2002). Specifically, this measure would: 1) extend eviction protections to vehicular residential facilities and newly constructed rental units except accessory dwelling units constructed in the first 10 years; 2) remove failure to execute a lease extension as grounds for eviction; and 3) prohibit most no-fault evictions affecting children and Oakland Unified School District employees during the school year. *If the measure passes, and if the City Council adopts the amendment to the Just Cause Ordinance, the fiscal impact to the City of Oakland should be negligible. However, it would increase the number of rental properties and add vehicular residential facilities subject to the Ordinance, as well as the resulting fees.*
- **New Infrastructure Bond - November Ballot Measure:** This measure would authorize the City of Oakland to issue up to \$850,000,000 in General Obligation bonds to fund various projects. This bond measure will prioritize projects for housing, transportation and paving, and needed repairs of the public infrastructure and safety facilities. *This measure would impact the property tax rate levied by the City (read full analysis for further information). The annual financial cost to the City includes administering and collecting the tax and oversight. We estimate this cost to be approximately \$200,000 annually.*
- **Non Citizen Voting - November Ballot Measure:** This measure would authorize non-citizen residents, who are the parents, legal guardians, or legally recognized caregivers of a child, to vote in OUSD's school board elections. *If the measure passes, and if the City Council adopts such an ordinance in the future, we estimate the City of Oakland would incur costs of \$21,000 to \$28,000 in years in which OUSD school board elections are held. These costs would increase with inflation as the measure, if approved, would not go into effect any earlier than the 2024 general election.*
- **Oakland Zoo - November Ballot Measure:** This measure would authorize the City of Oakland to collect an annual parcel tax to raise revenue to maintain, protect, and improve direct zoo services. *If passed, the City Council may annually increase the parcel tax rates based on the greater of the Consumer Price Index for the San Francisco Bay Area, or the percentage change in California's per capita personal income. The initial parcel tax for single family residential parcels is proposed to be \$68. The annual financial cost to the City includes administering and collecting the tax required by the legislation and required oversight. We estimate this total annual cost to be approximately \$137,000.*
- **Progressive Business Tax III - November Ballot Measure:** This measure would update the current business tax ordinance (Chapter 5.04 of the Oakland Municipal Code). Currently, a flat tax rate applies to nearly all businesses regardless of annual gross receipts earned. The measure will maintain the current minimum \$60 tax but will add five tax rate tiers based on gross receipts of the business. *The City estimates this proposed measure would increase business tax revenues by approximately \$21 million annually starting in fiscal year 2022-23 and it will cost the City approximately \$1.8 million to implement the new tax structure and an estimated \$560,00 annually to administer the measure.*

Financial Analyses of November 2022 Ballot Measures

Exciting Announcement Auditors, Jennifer Lim and Daniel Williams Receive Promotions



I am thrilled to announce that Jennifer Lim and Daniel Williams, who previously served as Performance Auditors, have been promoted to Senior Performance Auditors.

Since joining the office in 2015, Jennifer has been an integral part of the team, having conducted and co-authored eight ballot measure financial analyses and 11 performance/mandated audits. Jennifer has brought exceptional problem solving and communication skills to our team, and has assumed progressively responsible roles. I have turned to her to delve into the most critical issues facing our City. For example, Jennifer was the lead auditor of the 2021 [Homeless Encampment Management audit](#) and the Homelessness Services audit (due to be released in the coming weeks).

A devoted public servant for the City of Oakland, Jennifer interned with the City's Housing and Community Development Department prior to joining the Office. She has a BA in Economics and minors in Spanish and Communications from the University of Arizona, and is a Certified Internal Auditor.

Daniel was hired as a Performance Auditor in July 2018 and has proven to be an outstanding auditor. He is a data whiz with a keen sense for investigative work. He has conducted financial analyses for at least five ballot measures and assisted in several key audits including the 2020 and 2021 [City of Oakland's Financial Condition](#). In addition, as the investigator for the Whistleblower Program, Daniel has investigated numerous whistleblower investigations and co-authored nine substantiated investigation reports.

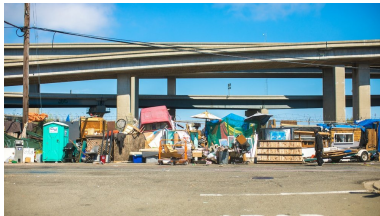


Prior to joining our Office, Daniel worked as a Staff Auditor for Vavrinek, Trine, Day & Co. and as a Senior Accounting Analyst at InsideView Technologies, Inc. He attended the University of Puget Sound where he received a BS in Economics and minors in Mathematics and Business.

I'm looking forward to Jennifer and Daniel drawing on their experience and expertise, and shining in their new roles.

[Learn More About My Team](#)

Coming Soon Homelessness Services Audit



My team has worked diligently this summer to finish its second audit focused on homelessness. This audit is the second in a two-part series.

[The first audit](#) was released in April 2021 and examined the City of Oakland's encampment management services and activities. The audit was divided into 4 sections addressing 1) the impacts of encampments on Oakland residents, City staff, City services, businesses, and the City's efforts to mitigate the impacts of encampments; 2) emergency response times to

service requests at encampments; 3) the costs associated with encampment activities; and 4) the City's new encampment policy.

The second audit seeks to 1) quantify the number of people placed in different shelter and housing types and the number of those receiving other homeless services; 2) evaluate the performance of select contracted shelter and service providers; 3) identify disparities in how City-provided shelters and related services are provided to various homeless subpopulations; and 4) review the coordination and partnerships of agencies engaged in addressing homelessness in Oakland.

We plan to release the audit in the coming weeks.

*Homeless Encampment in West Oakland, 2017, (Image by Thomas Hawk, FLICKR)

[Read the Homeless Encampment Management Audit](#)

Connecting with Community National Night Out



My Team and I had a wonderful time connecting with Oaklanders at several National Night Out block parties. It was a reminder of how much we've missed hearing from all of you directly.

As you've heard me say before, connecting with the community matters. Your insight and feedback often helps shape our audits and expand my Office's impact. I believe those directly affected by the biggest issues

facing Oakland, often hold the solutions to these problems. We look forward to gathering more with you in person. Contact [Dena Shupe](#) to schedule an in person or Zoom listening circle with me today.

Also, thinking ahead, I want to encourage Oaklanders to host National Night Out block parties and invite our Office to attend! This is a great opportunity to discuss safety issues or any other concerns you may have about our City. The only requirement to block off a street and host a block party is to register the gathering using [the city's online portal](#).

[Schedule a Listening Circle](#)

Committed to serving you with the utmost integrity,

COURTNEY RUBY, CPA, CFE
CITY AUDITOR



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