



CITY HALL · ONE FRANK H. OGAWA PLAZA 4TH FLOOR · OAKLAND CALIFORNIA · 94612

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December 7, 2023

Asha Reed, City Clerk
1 Frank H. Ogawa Plaza
Oakland, CA 94612

RE: Impartial Financial Analysis for March 2024 Ballot Measure

Dear City Clerk Reed:

I am pleased to submit an impartial financial analysis of the “Appropriations Limit Increase” measure for the March 2024 special election.

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

If you have any questions, please contact Assistant City Auditor, Eduardo Luna, at ELuna@oaklandca.gov.

Sincerely,

A handwritten signature in black ink that reads "MCHouston". The signature is written in a cursive, flowing style.

Michael C. Houston, MPP, CIA
Acting City Auditor

THE CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS

Summary

This measure would authorize the City to increase the appropriations limit to continue spending the proceeds of twelve voter-approved tax measures: Measure M (The Emergency Medical Services Retention Act of 1997); Measure N (The Paramedic Services Act of 1997), Measure C (The 2022 Amended Library Services Retention and Enhancement Act), Measure C (City of Oakland Hotel Tax of 2009), Measure Z (The 2014 Oakland Public Safety and Services Violence Prevention Act), Measure HH (Sugar-Sweetened Beverage Distribution Tax of 2016), Measure D (The 2018 Oakland Public Library Preservation Act), Measure W (The Oakland Vacant Property Tax Act of 2018), Measure Q (The 2020 Oakland Parks and Recreation Preservation, Litter Reduction, Homelessness Support Act), Measure AA (The Children's Initiative of 2018), Measure T (The Business Tax Ordinance of 2022), and Measure Y (The 2022 Oakland Zoo Animal Care, Education and Improvement Ordinance).

In 1979, California voters approved Proposition 4, which added Article XIII B to the State Constitution, requiring local governments to adopt an annual limit on the money they appropriate. This limit, referred to as the "Gann Limit," caps the amount of tax proceeds that governments may spend in a given fiscal year. The voters may change the appropriations limit for a period not to exceed four years.

Financial Analysis

This measure would not result in any new or increased taxes. It will give the City the authority to raise the appropriations limit by an estimated \$322.97 million to continue spending revenues previously approved by the voters through the next four fiscal years (Fiscal Year 2024-25 through Fiscal Year 2027-28).

If this measure does not pass, the City would not be able to spend all collected tax revenues. Tax revenues exceeding the current appropriations limit would have to be returned to the taxpayers by revising the tax rates or fee schedules within the following two fiscal years. The City would not be able to spend the annual appropriations increase of approximately \$322.97 million.

Our independent analysis is based on the best information available at this time.