



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

Michael C. Houston, MPP, CIA
City Auditor

(510) 238-3378
FAX (510) 238-7640
TDD (510) 238-3254
www.oaklandauditor.com

January 26, 2026

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

RE: Financial Analysis Oakland Business Relief Program Ballot Measure

Dear City Clerk Reed:

I am pleased to submit an impartial financial analysis of the Oakland Business Relief Program ballot measure.

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

If you have any questions, please contact Stephanie Noble, Assistant City Auditor.

Sincerely,

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

Michael C. Houston
City Auditor

THE CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE ___

BALLOT TITLE:

The Oakland Business Relief Program

Summary

This measure would amend the City of Oakland's Business Tax Ordinance (Municipal Code Chapter 5.04) to exempt certain businesses from paying City business tax. Exempted business categories would include retail sales, grocers, business and personal services, recreation and entertainment, and manufacturing businesses with annual gross receipts/sales of \$1 million or less. This exemption would begin in calendar year 2027. The measure would also exempt businesses that open new commercial locations in calendar year 2027 that acquire real property or a lease for at least six months and did not have a physical location in the City for the prior two tax years. To be eligible for this exemption, a person must have obtained an annual business tax certificate and paid applicable business fees, and the exemption amount must not exceed \$1 million per tax year starting in calendar year 2028. Specific eligibility requirements apply. If passed, the City Council may extend this tax exemption for eligible existing and new businesses annually for three years, so long as certain minimum requirements are met.

Financial Analysis

If passed, this measure would exempt around 12,000 existing businesses from paying City business tax, resulting in approximately \$2.2 million savings for eligible City businesses and a loss of approximately \$2.2 million in business tax revenue for the City of Oakland for calendar year 2027. In addition, if the measure passes, the City will be required to notify taxpayers. The estimate to mail notices to the taxpayers would total approximately \$20,000 in the first year.

The impact of this measure on business operators' behavior, consumer behavior, and other economic variables that may affect City revenue is beyond the scope of this analysis.

Information in our independent analysis is based on the best information available at the time of this analysis.

MICHAEL C. HOUSTON
City Auditor