



Public Comment: A member of the public may speak on any item appearing on the agenda. Speakers are generally allotted a maximum of three minutes, subject to change by the Chair.

Members of the public may also submit written comments in advance of the meeting to EthicsPublicComment@oaklandca.gov. Please indicate the agenda item # you are commenting on in the subject line of the email.

Commissioners: Francis Upton IV (Chair), Tanya Bayeva (Vice-Chair), Alea Gage, Ryan Micik, Vincent Steele, and Karun Tilak.

Commission Staff to attend: Nicolas Heidorn, Executive Director; Tovah Ackerman, Enforcement Chief; Suzanne Doran, Program Manager; and Alex Van Buskirk, Ethics Analyst.

Legal Counsel: Oliver Luby, Deputy City Attorney

PUBLIC ETHICS COMMISSION REGULAR MEETING AGENDA

PRELIMINARY ITEMS

- 1. Roll Call and Determination of Quorum.**
- 2. Staff and Commission Announcements.**
- 3. Open Forum.**
 - Open forum is a time for a member of the public to comment on any matter within the jurisdiction of the Public Ethics Commission (PEC) that is not otherwise included in tonight's agenda.
 - The Commission urges members of the public not to make complaints or ask the Commission to investigate alleged legal violations at public meetings since public disclosure of such complaints or requests may undermine any subsequent investigation undertaken. Contact staff at ethicscommission@oaklandca.gov for assistance filing a complaint.
 - Under the Sunshine Ordinance, the Commission cannot discuss the substance of any public comment made that does not pertain to an item listed on the agenda.
 - Please state your name each time you make public comment if you wish it to be included in the meeting minutes.

ACTION ITEM



4. **Approval of Commission Meeting Draft Minutes.**
 - a. March 19, 2024, Regular Meeting Minutes. ([Meeting Minutes](#))

5. **Proposal to Amend the Oakland Campaign Reform Act (OCRA) and the Limited Public Financing (LPF) Act.** Pursuant to Charter Section 603(h), the Commission will review and provide comment on a proposal by Councilmembers Ramachandran, Jenkins, and Houston to temporarily raise campaign contribution limits for City and OUSD elections, permanently increase the total annual contribution limits for officeholder funds, and temporarily re-authorize the LPF Program. ([PEC Staff Memo](#); [Councilmember Memo](#); [Draft Language](#))

6. **Proposed Settlement Agreement: In the Matter of Vena Sword-Ratliff (PEC #24-15).** In May 2024, Public Ethics Commission (PEC) staff received an informal, anonymous complaint to the PEC that raised concerns that Fire Division Manager Vena Sword-Ratliff failed to disclose her son's application for a Community Intervention Specialist (CIS) position in the Oakland Fire Department's (OFD) Mobile Assistance Community Responders of Oakland (MACRO) Program and actively participated in the recruitment and selection process, creating a conflict of interest. On May 5, 2025, Ms. Sword-Ratliff and PEC staff agreed to settle this matter with a Form 700 Training, to be completed within 45 calendar days of approval of this settlement, and a \$200 fee for administrative costs to provide the training. The Commission will consider whether to approve the proposed settlement. ([Proposed Settlement Agreement](#))

INFORMATION/DISCUSSION ITEMS

7. **Enforcement Program Report.** Enforcement Chief Tovah Ackerman provides a summary of the Commission's enforcement process, caseload, enforcement-related litigation, and case closures or dismissals. ([Enforcement Report](#))

8. **Executive Director Report.** The Executive Director provides an update on overall priorities and PEC activities, such as budget, staffing, and PEC legislative and policy initiatives since the last Commission meeting. Staff updates specific to disclosure, compliance, education, and engagement activities are included in the attachments. ([ED Report](#); [Attachments - Disclosure Report and Mediation Summary](#))

9. **Enforcement Report re: Complaint Backlog Strategy.** The Commission will discuss a plan by Enforcement Chief Ackerman to enact new process improvements and a prioritized complaint closure process to implement over the next six months to restore



operational sustainability, reduce backlog, and refocus resources on high-impact investigations. ([Memo](#))

10. **Draft Ballot Measure to Fund the PEC.** The Commission will discuss draft ballot measure language to place a parcel tax on a 2026 ballot to fully fund the PEC. ([Memo](#); [Draft Language](#))
11. **Reports on Subcommittees and Commissioner Assignments.** Commissioners may discuss subcommittee assignments, create a new subcommittee, or report on work done in subcommittees since the Commission’s last regular meeting. Commissioners may also discuss assignments, efforts, and initiatives they undertake to support the Commission’s work.
 - a. **Revenue Options Ad Hoc Subcommittee** (ad hoc, created January 29, 2025) - Upton IV (Chair), Gage, and Micik ([Minutes](#))
 - b. **Democracy Dollars Engagement Ad Hoc Subcommittee** (ad hoc, created January 29, 2025) - Tilak (Chair), Bayeva, and Gage
 - c. **Executive Director Recruitment Subcommittee** (ad hoc, created April 14, 2025) - Upton IV (Chair), Bayeva, and Micik
12. **Future Meeting Business.** Commissioners and staff may propose topics for action or discussion at future Commission meetings.

The meeting will adjourn upon the completion of the Commission’s business.

The following options for public viewing are available:

- **Television:** KTOP channel 10 on Xfinity (Comcast) or ATT Channel 99, locate City of Oakland KTOP – Channel 10
- **Livestream online:** Go to the City of Oakland’s KTOP livestream page here: <https://www.oaklandca.gov/services/ktop-tv10-program-schedule> click on “View”
- **Online video teleconference (via ZOOM):** Click on the link to join the webinar: <https://uso2web.zoom.us/j/89169308829>. Please note: the Zoom link and access number are to view/listen to the meetings only. Public comment via Zoom is not supported currently.
- **Telephone:** Dial (for higher quality, dial a number based on your current location): US: +1 669 900 6833 or +1 669 444 9171 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646 931 3860 or +1 689 278 1000 or +1 929 205 6099 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 Webinar ID: 891 6930 8829
- **International numbers available:** <https://uso2web.zoom.us/j/kc69Y2Mnzf>

CITY OF OAKLAND
PUBLIC ETHICS COMMISSION
One Frank Ogawa Plaza (City Hall)
Regular Commission Meeting
Hearing Room 2
Wednesday, May 21, 2025
6:30 p.m.



Should you have questions or concerns regarding this agenda, or wish to review any agenda-related materials, please contact the Public Ethics Commission at ethicscommission@oaklandca.gov or visit our webpage at www.oaklandca.gov/pec.

Nicolas Heidorn

05/09/25

Approved for Distribution

Date

CITY OF OAKLAND
PUBLIC ETHICS COMMISSION
One Frank Ogawa Plaza (City Hall)
Regular Commission Meeting
Hearing Room 2
Wednesday, May 21, 2025
6:30 p.m.



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Quý vị cần một thông dịch viên Ngôn ngữ Ký hiệu Mỹ (American Sign Language, ASL), tiếng Quảng Đông, tiếng Quan Thoại hay tiếng Tây Ban Nha hoặc bất kỳ sự hỗ trợ nào khác để tham gia hay không? Xin vui lòng gửi email đến địa chỉ ethicscommission@oaklandca.gov or hoặc gọi đến số (510) 238-3593 hoặc 711 (với Dịch vụ Tiếp âm) trước đó năm ngày.

CITY OF OAKLAND
PUBLIC ETHICS COMMISSION
One Frank Ogawa Plaza (City Hall)
Regular Commission Meeting
Hearing Room 2
Wednesday, March 19, 2025
6:30 p.m.

Item 04 - Draft Regular Meeting Minutes 03-19-2025



DRAFT

Commissioners: Francis Upton IV (Chair), Tanya Bayeva (Chair), Alea Gage, Ryan Micik, Vincent Steele, and Karun Tilak.

Commission Staff in attendance: Nicolas Heidorn, Executive Director; Tovah Ackerman, Enforcement Chief; Suzanne Doran, Program Manager; and Alex Van Buskirk, Lead Analyst for Compliance, Disclosure, and Engagement.

Legal Counsel: Christina Cameron, Partner, Devaney Pate Morris & Cameron, LLP.

PUBLIC ETHICS COMMISSION REGULAR MEETING MINUTES

PRELIMINARY ITEMS

1. Roll Call and Determination of Quorum.

The meeting was called to order at 6:31 p.m.

Members present: Chair Upton, Vice Chair Bayeva, Gage, Micik, Steele, and Tilak.

Members absent: None.

Staff present: Nicolas Heidorn; Tovah Ackerman; Suzanne Doran; Alex Van Buskirk;

Legal Counsel: Christina Cameron.

2. Staff and Commission Announcements.

Chair Upton adjusted the order of the Agenda to accommodate the schedules of staff. Item 10, Revenue Options to Fund the PEC, was moved to after Item 6, Form 700 Enforcement Update and Closure Recommendation.

Public Comment: None.

3. Open Forum.

Public Comment: Gene Hazzard, Francis Upton, Corean Todd.

ACTION ITEM

4. Approval of Commission Meeting Draft Minutes.

05-21-2025 PEC Regular Meeting Packet - 6



DRAFT

a. December 11, 2024, Regular Meeting Minutes

Tilak moved, and Bayeva seconded, to adopt the December 11, 2024, regular meeting minutes.

Ayes: Bayeva, Gage, Micik, Steele, Tilak, and Upton IV

Noes: None.

Vote: 6-0.

Motion passed.

Public Comment: None.

b. January 29, 2025, Regular Meeting Minutes

Micik moved, and Gage seconded, to adopt the January 29, 2025, regular meeting minutes.

Ayes: Bayeva, Gage, Micik, Steele, Tilak, and Upton IV

Noes: None.

Vote: 6-0.

Motion passed.

Public Comment: None.

5. Final Action on PEC Case No. 23-28 (In the Matter of Michael Dabney).

The Commission reviewed and discussed the proposed Findings of Facts and Conclusions in *In Re Dabney*. Both Mr. Bears, representing the Enforcement Unit, and Mr. Dabney, the Respondent, spoke regarding the case.

Gage moved, and Upton seconded, to adopt Hearing Officer Tilak's Findings of Facts and Conclusions in their entirety and impose a penalty of \$1,750.00, which shall be due within 120 days of the March 19, 2025, meeting unless extended by staff for good cause.



DRAFT

Ayes: Gage, Tilak, Upton.

Noes: Bayeva, Micik, Steele.

Vote: 3-3.

Motion failed.

Steele moved, and Tilak seconded, to adopt Hearing Officer Tilak's Findings of Facts and Conclusions in their entirety and impose a penalty of \$1,750.00, which shall be due within 121 days of the March 19, 2025, meeting unless extended by staff for good cause.

Ayes: Gage, Micik, Steele, Tilak, Upton.

Noes: Bayeva.

Vote: 5-1.

Motion passed.

Public Comment: Gene Hazzard; Ralph Kanz.

6. Form 700 Enforcement Update and Closure Recommendation (PEC ## 24-05.4, 24-05.11, 24-05.12, 24-05.14, 24-05.16, 24-05.19, 24-05.21, 24-05.24, 24-05.27, 24-05.30, 24-05.33, 24-05.37, 24-05.40, 24-05.43, 24-05.44, 24-05.45, 24-05.47, 24-05.50, 24-05.55) and Settlement Recommendation (PEC ## 24-05.28, 24-05.32, 24-05.34, 24-05.35, 24-05.39, 24-05.41, 24-05.42, 24-05.46).

Enforcement Staff presented, and the Commission discussed, an update on PEC staff's enforcement efforts regarding alleged non-filers of the 2023 Annual form 700 (PEC #24-05).

Micik moved, and Gage seconded, to adopt the staff recommendations to close cases against alleged non-filers with valid reasons for non-filing and to settle cases against alleged non-filers that have since filed requiring them to complete diversion training.

Ayes: Bayeva, Gage, Micik, Steele, Tilak, Upton.

Noes: None.

Vote: 6-0.



DRAFT

Motion passed.

Public Comment: None.

INFORMATION/DISCUSSION ITEMS

Executive Director Heidorn suggested switching the agenda order to better accommodate public speakers. Chair Upton agrees, and adjusts the schedule to hear Item 8, Enforcement Program, next.

8. Enforcement Program.

Enforcement Chief Tovah Ackerman provided, and the Commission discussed, a summary of the Commission's enforcement process, caseload, enforcement-related litigation, and case closures or dismissals.

Public Comment: Corean Todd; Maka Daniels Johnson.

10. Revenue Options to Fund the PEC.

Executive Director Heidorn presented, and Commissioners discussed, an update on potential options developed by the Revenue Options Ad Hoc Subcommittee for a revenue-generating ballot measure in 2026 to fund Measure W, an expanded PEC's Enforcement Unit, or the full PEC.

Public Comment: Ralph Kanz.

7. Disclosure and Engagement.

Alex Van Buskirk, Lead Analyst for Compliance, Disclosure, and Engagement provided, and Commissioners discussed, a summary of compliance with disclosure requirements, education and advice, general outreach, and data illumination activities since the last regular Commission meeting.

9. Executive Director's Report.



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Executive Director Nicolas Heidorn reported on, and Commissioners discussed, overall priorities and PEC activities, such as budget, staffing, and PEC legislative and policy initiatives not covered in other staff reports.

Public Comment: None.

ACTION ITEMS

11. Amendments to the PEC's Operations Policies.

The Commission considered a proposal by Chair Upton IV and Staff to amend the PEC's Operations Policies. Among other changes, the amendments include new provisions on the commissioner selection process and the filling of Commission vacancies, a requirement that ad hoc committees keep meeting minutes, changes to the Commission meeting scheduling and noticing requirements, and changes that align the Policies with new laws enacted since the Policies were first adopted.

Bayeva moved, and Steele seconded, the recommended changes with the following amendments:

- Amend Article VI, Section 7 as follows (insertion underlined):
 - Upon the determination by a legal advisor from **or assigned by** the City Attorney's Office that a closed session is both authorized and appropriate under the circumstances, the Commission may call for a closed session. Appropriate notice must be given of all closed sessions.
- Amend Article VIII, Section 1 as follows (insertion underlined):
 - A commissioner who has been advised by the City Attorney **or their designee** to recuse himself or herself from voting on an item due to a conflict of interest must recuse him or herself and leave the dais during discussion and voting on the item. A commissioner who recuses as to a particular item is not present for purposes of determining the existence of a quorum in Article VI, section 2, above.

Ayes: Bayeva, Gage, Micik, Steele, Tilak, Upton.

Noes: None.

Vote: 6-0.



DRAFT

Motion passed.

Public Comment: None.

CLOSED SESSION

12. Executive Director Performance.

The Commission met in closed session to discuss the Executive Director's performance. This is a personnel-related matter authorized to occur in closed session pursuant to Government Code Section 54957(b).

Commission adjourned to Closed Session at 8:40pm.

Commission returned from Closed Session at 9:10pm.

ACTION ITEM

13. Executive Director Compensation and Management Leave.

The Commission considered increasing the Executive Director's compensation and awarding the Executive Director additional management leave.

Micik moved, and Steele seconded, to increase the Executive Director's Compensation by 5%.

Ayes: Bayeva, Gage, Micik, Steele, Tilak, Upton.

Noes: None.

Vote: 6-0.

Motion passed.

Public Comment: None.



DRAFT

Gage moved, and Tilak seconded, to award the Executive 5 days of management leave in lieu of overtime and 5 days of management leave for performance for the maximum of 10 additional days of management leave.

Ayes: Bayeva, Gage, Micik, Steele, Tilak, Upton.

Noes: None.

Vote: 6-0.

Motion passed.

Public Comment: None.

INFORMATION/DISCUSSION ITEMS

14. Reports on Subcommittees and Commissioner Assignments.

a. Revenue Options Ad Hoc Subcommittee

Chair Upton IV had no additional updates as the content was covered earlier when discussing Revenue Options in Item 10.

b. Democracy Dollars Engagement Ad Hoc Subcommittee

Commissioner Gage provided an update on the Subcommittee's activities, including that PEC Staff is working to reach out to youth organizations. Commissioners are expected to do at least 1 outreach event per quarter.

Public Comment: None.

INFORMATION ITEM

15. Future Meeting Business.

Commissioner Gage noted she'd like to continue the Commissioner's work on public transparency and public records. In addition, she'd like to invite the IT Department to discuss the issue.

CITY OF OAKLAND
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Wednesday, March 19, 2025
6:30 p.m.

Item 04 - Draft Regular Meeting Minutes 03-19-2025



DRAFT

Public Comment: None.

The meeting adjourned at 9:38 p.m.



Item 05 - Proposal to Amend the Oakland Campaign Reform Act

Francis Upton IV, Chair
Tanya Bayeva, Vice Chair
Alea Gage
Ryan Micik
Vincent Steele
Karun Tilak

Nicolas Heidorn, Executive Director

TO: Public Ethics Commission
FROM: Nicolas Heidorn, Executive Director
Alex Van Buskirk, Lead Analyst, Compliance and Disclosure
DATE: May 9, 2025
RE: Review & Comment: Councilmembers Ramachandran, Jenkins, and Houston's
Proposal to Amend OCRA and the LPF Act

Summary

Under Charter Section 603(h), the City Council is generally required to submit proposed amendments to the laws that the Public Ethics Commission (Commission or PEC) enforces to the Commission for review and comment before adoption. This memo provides additional information to supplement the Commission's review of a proposal (attached) by Councilmember Janani Ramachandran, Councilmember Ken Houston, and Interim Mayor Kevin Jenkins to amend the Oakland Campaign Reform Act (OCRA) and Limited Public Financing (LPF) Act, which will occur at the Commission's May 21, 2025, meeting. At that meeting, the Commission may vote to support, oppose, or remain neutral on the proposal, suggest amendments, or provide other comments to the sponsors and City Council. The City Council's Rules Committee is expected to hear the proposal on May 22, 2025.

In greater detail, Councilmember Ramachandran, Councilmember Houston, and Interim Mayor Jenkins, are proposing an ordinance to do the following:

1. Amend the Oakland Campaign Reform Act (OCRA) to **temporarily increase campaign contribution limits for candidates that accept expenditure limits from \$650 to \$900 as to most contributors and from \$1,300 to \$1,800 for broad-based political committees**, plus an additional CPI adjustment in 2027 and 2029. This change would go into effect immediately upon the effective date of the ordinance and sunset on June 30, 2029. For certain offices the contribution limits may revert back to the lower amount earlier if the Commission determines that sufficient Democracy Dollars funds will be available in an election for that office.

Item 05 - Proposal to Amend the Oakland Campaign Reform Act

2. Amend OCRA to **permanently** increase the total annual contribution limit to an **officeholder account** as follows:

Office	Current Annual Contribution Limit	Proposed Limit
School Board Member	\$25,000	\$25,000
District Councilmembers	\$25,000	\$75,000
City Auditor	\$25,000	\$100,000
Councilmember At-Large City Attorney	\$30,000	\$100,000
Mayor	\$50,000	\$100,000

3. **Temporarily** reauthorize the Limited Public Financing Program (LPF) through 2028, subject to appropriation in the budget.

Staff recommends that the Commission provide the following recommendation to the City Council:

- 1) Temporary Higher Campaign Contribution Limits: PEC Staff is **neutral** on this proposal, but, if the proposal moves forward, **Staff recommends that:**
 - a) **the new limits go into effect on July 1, 2025**, rather than immediately, to permit PEC staff time to implement the proposal and so that the new limits begin with a new campaign finance reporting period, and
 - b) **the higher limits sunset on December 31, 2026**, after which the PEC and City Council will better be able to judge if the Democracy Dollars Program will be implemented in 2028. If the Democracy Dollars Program is likely to be implemented, there is no justification for keeping the higher contribution limits. If the Program is unlikely to be implemented, the Council could at that time vote to extend the higher limits through the 2028 election cycle.
- 2) Permanent Higher Officeholder Fund Annual Total Contribution Limits: **Staff recommends** that the Commission **either:**
 - a) **Recommend not increasing the annual total contribution limits**, as there is no evidence the current limits are impeding officeholder fundraising, **or**
 - b) **Recommend that the annual total contribution limits be adjusted only to account for inflation since 1999**, the last time the limits were adjusted. The revised rounded limits Staff recommends would be: \$50,000/year for District Councilmember and School Board Member; \$65,000/year for At-Large Councilmember, City Attorney, and City Auditor; and \$100,000/year for Mayor.
- 3) Temporary LPF Extension Subject to Budget Appropriation: **Staff recommends supporting** this proposal as a bridge until the Democracy Dollars Program is implemented. Re-authorizing and subsequently funding the LPF in the FY 25-27 Budget, would ensure 2026 is not the first election in more than 20 years in which public financing is not available in Oakland.

PEC staff would like to acknowledge and thank Councilmembers Ramachandran, Houston, and Jenkins for providing an early draft of this proposal to staff and accepting some staff-suggested technical and substantive amendments.

The remainder of this memo analyzes each of the three major elements of this proposal.

I. CAMPAIGN CONTRIBUTION LIMITS

Background on Contribution Limits

Oakland Contribution Limits Prior to Measure W

Prior to the 2024 election cycle, Oakland had variable contribution limits depending on whether or not a candidate accepted expenditure limits (i.e., agreed to cap their total campaign spending). Oakland also had a generally-applicable contribution limit (e.g., for individuals or businesses) and a higher limit for “broad-based political committees,” which is defined as “a committee of persons which has been in existence for more than six (6) months, receives contributions from one hundred (100) or more persons, and acting in concert makes contributions to five (5) or more candidates.” (OMC 3.12.040(A).) These limits were periodically adjusted for inflation.

For example, for the 2022 election cycle, the general contribution limits to candidates who did not accept expenditure limits was \$200, whereas the limit for candidates that *did* accept expenditure limits was \$900. For contributions from broad-based political committees that cycle, the limits were \$400 for candidates not accepting expenditure limits and \$1,800 for candidates accepting them. Historically, most competitive candidates in Oakland elections have accepted expenditure limits and thus were subject to the higher of the two contribution limits. (OCRA also provided a way for the expenditure limits to be lifted if either (A) a candidate who had not accepted the expenditure limits either made expenditures or received contributions equal to 50 percent of the expenditure limits or (B) if an individual or political committee expended more than a certain amount supporting or opposing a candidate.) Council *district* candidates who accepted expenditure limits, among other criteria, were also eligible to participate in the City’s Limited Public Financing Program (LPF), discussed later in this memo.

Measure W Contribution Limits

In 2022, Oakland voters adopted Measure W, which, among other things, replaced Oakland’s LPF Program with a more robust form of campaign public financing called the Democracy Dollars Program, and also changed campaign contribution limits.

Under the Democracy Dollars Program, the City will send \$100 in Democracy Dollar vouchers to eligible Oakland residents who can then assign the Dollars to the candidate of their choice. Unlike the LPF, which applies only to candidates running for Council District office (7 offices), the Democracy Dollars Program applies to candidates running for all City or OUSD offices (18 offices), including: Mayor, City Attorney, City Auditor, City Council At-Large, City Council District, and School Board District. Unless the City is facing an extreme fiscal necessity, Measure W requires the City to appropriate \$4 million for the Democracy Dollar vouchers over a two-year budget cycle. The Democracy Dollars Program was supposed to be implemented for the 2024 election cycle; however, due to City’s fiscal situation, the Council did not provide funding for vouchers and the Program was postponed; the LPF was extended for 2024 only to ensure public financing remained available. It appears likely, given the City’s fiscal situation, that the Democracy Dollars Program will be postponed again in 2026.

Measure W also changed campaign contribution limits by establishing a uniform general limit of \$600 and a \$1,200 limit for broad-based political committees, which adjust every two years for inflation. The new limits do not distinguish between whether or not a candidate accepts or does not accept expenditure limits. As a result, the change may be described as an *increase* to the limits for candidates not accepting expenditure limits (up from \$200 generally and \$400 for broad-based political committees in 2022), and a *decrease* as to candidates accepting expenditure limits (down from \$900 and \$1800, respectively, in 2022).

These limits were used for the 2024 election cycle. In January 2025, pursuant to OCRA, the contribution limits were adjusted for inflation to \$650 generally and \$1,300 for broad-based political committees. Those inflation-adjusted limits were used for the April 2025 special election and are currently in effect.

Overview of Recent Oakland Contribution Limits
(Not Accepting / Accepting Expenditure Limits)

Election Year	General Contributors (Not Accepting / Accepting Limits)	Broad-Based Political Committees (Not Accepting / Accepting Limits)
2018	\$200 / \$800	\$400 / \$1,600
2020	\$200 / \$900	\$400 / \$1,700
2022	\$200 / \$900	\$400 / \$1,800
2024	\$600	\$1,200
2025	\$650	\$1,300
2026	\$650	\$1,300

**Contribution limits after Measure W do not vary based on whether a candidate accepts expenditure limits or not.*

The Ramachandran/Houston/Jenkins proposal would somewhat return Oakland to its pre-Measure W contribution limits in effect for the 2022 election, at least until the Democracy Dollars Program is implemented. In 2022, and under this proposal, candidates accepting expenditure limits could receive \$900/\$1,800 contributions, but the limits for candidates not accepting the expenditure limits was lower in 2022 (\$200/\$400 vs \$650/\$1,300).

The 2024 Contribution Limits Increase Proposal

In 2024, Councilmembers Jenkins and Ramachandran proposed raising Oakland's contribution limits from \$600/\$1,200 to \$900/\$1,800. As originally proposed, it did not require that candidates accept the voluntary expenditure limits to receive the higher contribution limits. The proposed change would have taken effect in October 2024, just prior to the November 2024 election. The Commission considered the proposal at its September 2024 meeting. The staff report for that proposal is [here](#).

The Commission voted 3-2 to support the proposal if it were amended to include a requirement that candidates accept expenditure limits to receive the higher contribution limits; however, because four votes were needed to adopt the proposal (a majority of the Commission's 7 seats), the proposal was not adopted. Instead, the Commission voted unanimously to convey the following points to the City Council (as excerpted from then-Chair Micik's letter to Council):

- “Commissioners share the authors’ concern that candidates should be able to raise sufficient funds to get their campaign message out while Democracy Dollar funding is unavailable.
- Commissioners are concerned about the timing of the proposal, which, for the 2024 election cycle, would change campaign finance rules in the last month of an election, and divert Commission staff resources during a period of peak demand for Commission services.
- The Commission recommends that, if there are higher limits for the 2026 election cycle, candidates should have to accept expenditure limits as a precondition to fundraising at those higher limits. This was previously the rule under OCRA through the 2022 election, until a single lower limit was adopted with the passage of Measure W (2022).
- Under this proposal, if Democracy Dollars are available for an office in the 2026 election cycle at a sufficient funding level, contribution limits as to that office will return to the lower levels currently in effect (as adjusted for inflation) beginning on January 1, 2026. One consequence of this is that candidates who enter a race in 2025 are advantaged over candidates who only enter that race in 2026, as the former candidates could for several months raise funds at the higher contribution limits. The Commission recommends that the Council look at alternative ways to structure the proposed policy so that early-entry and late-entry candidates are treated similarly, but for administrative reasons the Commission has concerns about requiring that early-entry candidates reimburse funds raised at higher limits if the limits are later lowered.
- The Commission recommends, if this proposal is adopted, that the effects of any change in contribution limits for the 2024 election cycle be evaluated so that policy changes for the 2026 election cycle may be considered later this year or early in 2025.”

Item 05 - Proposal to Amend the Oakland Campaign Reform Act

Councilmember Ramachandran and Jenkins revised their proposal to reduce the proposed increase to the contribution limits to \$750/\$1,500 and to require that candidates accept expenditure limits to receive the higher limits. The proposal passed first reading by the City Council, but failed to pass second reading, so did not become law.

The Current Ramachandran/Houston/Jenkins Proposal

In greater detail, this proposal would:

- Change, from \$650 to \$900 (+ CPI) as to general contributors and from \$1,300 to \$1,800 (+ CPI) as to broad-based political committees, the campaign contribution limits for candidates who accept the Oakland Fair Elections Act's voluntary expenditure limits. The current inflation-adjusted expenditure limits are as follows:
 - Mayor: \$532,500
 - City Attorney, City Auditor, City Councilmember At-Large: \$266,500
 - District Councilmember: \$160,000
 - School Board Member: \$106,500
- Release a candidate from the voluntary expenditure limits if another candidate who has not accepted the limits raises or spends more than 50% of the limits, **or** if any person makes independent expenditures greater than \$30,000 (School Board or District Councilmember), \$50,000 (At-Large Councilmember, or City Attorney, City Auditor), or \$100,000 (Mayor).
- Provide that the increased \$900/\$1,800 contribution limits revert back to the lower limits as to any City Office for which the Commission projects that the amount of Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Office.
- Specify that the higher contribution limits are effective immediately and sunset on June 30, 2029.

According to Councilmembers Ramachandran, Houston, and Jenkins:

“The goal of this ordinance is to bridge the gap in potential funding sources for candidates due to the present unavailability of Democracy Dollars Program, and severely curtailed funding for the Limited Public Financing Program. The contribution limit increase would only apply to candidates who have accepted voluntary expenditure limits.

“This ordinance is in line with the spirit of voter-passed initiatives including Measure W, the Oakland Fair Elections Act, passed in 2022. While Measure W reduced candidate contribution limits (to \$600 for individual contributions and \$1200 for committee contributions), it did so with the hope that a fully funded Democracy Dollars program would be implemented.

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“Unfortunately, this program was not available to Oakland residents or candidates during the 2024 election cycle, or the 2025 special election, and will likely not be available in the 2026 election due to continued budget constraints. Given the delay, this amendment would increase candidates’ ability to fundraise at the previous threshold, without reliance on powerful independent expenditures - consistent with the measure. With the ability to accept slightly larger donations, candidates will be able to dedicate more time that would be spent on fundraising to instead focus on community engagement and voter outreach.”

The language of the full proposal, as well as a memo in support by the Councilmembers (quoted in part here), is attached to this memo.

Comparison - Contribution Limits in Other Cities

Oakland’s current \$650/\$1,300 contribution limits are similar to peer jurisdictions, defined as the top ten cities in population. If the proposed \$900/\$1,800 limits are adopted, Oakland’s limits would be higher than most other peer cities, but similar to other cities with populations over 100,000. However, as to mayoral limits, which in some cities differ from councilmember limits, Oakland’s current and proposed limits would remain stricter than most other jurisdictions.

Under California law, if a City does not adopt its own campaign contribution limits, city elections are required to follow the *state* contribution limits by default, which are presently set at \$5,900. According to a 2024 report by California Common Cause, 124 cities in California have adopted contribution limits lower than the state default. Of those, the average contribution limit was \$711, a little higher than Oakland’s current limits for individuals. For cities with populations over 100,000, the average was \$899, higher than Oakland’s current limits and almost identical to the individual limits in the Ramachandran/Houston/Jenkins proposal.¹

Of the ten biggest cities in California, including Oakland, nine have adopted contributions limits, with a median contribution limit of \$700 for City Council and \$1,400 for Mayor, although there is a degree of variability between cities. Oakland’s *City Council* candidate contribution limits are higher than Long Beach and San Francisco, equal or similar to San Diego and San Jose, and lower than Los Angeles, Fresno, Sacramento, and Anaheim. If the proposal is adopted, Oakland’s limits to Council candidates would be higher than most other cities except Fresno, Sacramento, and Anaheim. However, Oakland currently has the second lowest *mayoral* contribution limits, after only San Francisco. If the proposal were adopted, Oakland would still have the second lowest limits, but would tie Long Beach’s mayoral limits.

¹ California Common Cause, “Local Dollars and Local Democracy” (Mar. 2024), <https://www.commoncause.org/california/wp-content/uploads/2024/04/CA-Municipal-Index-Reportv3-Final.pdf>.

Individual Contribution Limits in the 9 Largest California Cities with Limits as of 2024

City	Population	Donor Limits to City Council	Donor Limits to Mayor	Public Financing?
Long Beach	466,742	\$400	\$900	Yes
San Francisco	873,965	\$500	Same	Yes
San Diego	1,386,932	\$650	\$1,200	No
Oakland - Current	440,646	\$650	Same	Yes
San Jose	1,013,240	\$700	\$1,400	No
Los Angeles	3,898,747	\$800	\$1,500	Yes
Oakland - Proposed	440,646	\$900	Same	Yes
Sacramento	524,943	\$1,800	\$3,600	Yes*
Anaheim	346,824	\$2,200	Same	No
Fresno	542,107	\$4,900	Same	No

Source: California Common Cause

* Not funded

Amending OCRA to Further its Purposes

The Ramachandran/Houston/Jenkins proposal would amend OCRA, which the PEC enforces. OMC 3.12.370, which was added by the voters with the adoption of Measure W, provides that, as to OCRA, the “City Council may make any amendments to this Act that are consistent with its purpose.” In addition, Charter Section 603(h) also provides that:

“Prior to adopting, or enacting any amendments to, laws that the Commission has the power to enforce or administer, the City Council shall make a finding that the proposed changes further the goals and purposes of the law or program in question and provide specifics substantiating the finding. Absent an urgency finding akin to suspending compliance with the Sunshine Ordinance, amendments to such laws and proposed ballot measures that would adopt or amend such laws shall be submitted to the Commission for review and comment, prior to passage of the amendments or approval of the proposed measures for the ballot by the City Council.” (Emphasis added.)

The requirement for PEC review and comment will be met with the Commission’s consideration of this proposal at its May 21 meeting. The City Attorney’s Office provided the following view as to the legality of the 2024 proposal by Councilmembers Ramachandran and Jenkins to amend OCRA’s contribution limits, which likely still applies to the contribution increases included in this proposal:

“A proposed amendment that temporarily returns the contribution limits to the pre-Measure W 2022 limits until the Democracy Dollars program is fully funded is properly

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within the discretion of the Council to determine that the amendment furthers the purpose of the OCRA.”

PEC staff believes the question of whether an OCRA amendment to *increase* contribution limits, after Measure W *lowered* contribution limits, furthers the purposes of OCRA is a close question, potentially opening up this proposal to legal challenge.

The purposes of a law added by ballot measure may be discerned from its findings, statement of purpose, context, and ballot measure materials. (See *Howard Jarvis Taxpayers Assn. v. Newsom*, 39 Cal. App. 5th 158 (2019).) In this case, many of the official findings of Measure W, as well as ballot arguments presented in support, indicate that a goal of the measure was to reduce the disproportionate influence of large donors in Oakland elections. For example:

- The Council Resolution placing Measure W on the ballot noted, in the Resolution’s findings, that the proposed amendments to OCRA furthered “the purposes of that ordinance, including reducing the influence of large contributors.”
- The proponents of Measure W argued in the ballot pamphlet that “The Act lowers the maximum campaign contribution amount to reduce the risk of corruption. Stricter limits means more assurance that our local leaders are fighting for all of us.”
- OCRA’s formal findings, codified at OMC 3.12.20, indicate that:
 - “B. The rapidly increasing costs of political campaigns have forced many candidates to raise larger and larger percentages of money from interest groups ... This has caused the public perception that votes are being improperly influenced by monetary contributions. ...”
 - “F. Based on existing circumstances in Oakland, including those enumerated in the Oakland Fair Elections Act, the contribution limits established by this Act will not prevent candidates from raising the resources necessary to run an effective campaign.”²
- OCRA’s formal purposes, codified at OMC 3.12.030, include:
 - “B. To reduce the influence of large contributors with a specific financial stake in matters under consideration by the City, and to counter the perception that decisions are influenced more by the size of contributions than by the best interests of the people of Oakland.”
 - “G. To curb corruption and the appearance of corruption by providing reasonable limits on contributions to candidates and their campaign committees and requiring disclosure of the sources of money spent to influence elections in Oakland.”

² This section of OCRA, which was added by Measure W, likely also incorporates by reference into OCRA the findings of the Oakland Fair Elections Act (OFEA), which creates Oakland’s Democracy Dollars Program. OMC 3.12.020(F). OFEA’s findings include further statements about the problems of “[c]andidates’ reliance on large contributions from a limited number of wealthy contributors.” See OMC 3.13.020(F) & (G). See also OMC 3.13.020(C).

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If this proposal is enacted and legally challenged, and a Court concludes that an independent purpose of Measure W/OCRA was to lower prior contribution limits to reduce the disproportionate influence of large donors, temporarily reinstating the old, higher limits may still be contrary to this purpose, and at-risk of being struck down as an illegal amendment to OCRA.

Likely Campaign Effects of this Proposal

The likely campaign effects of this proposal can be summarized as follows:

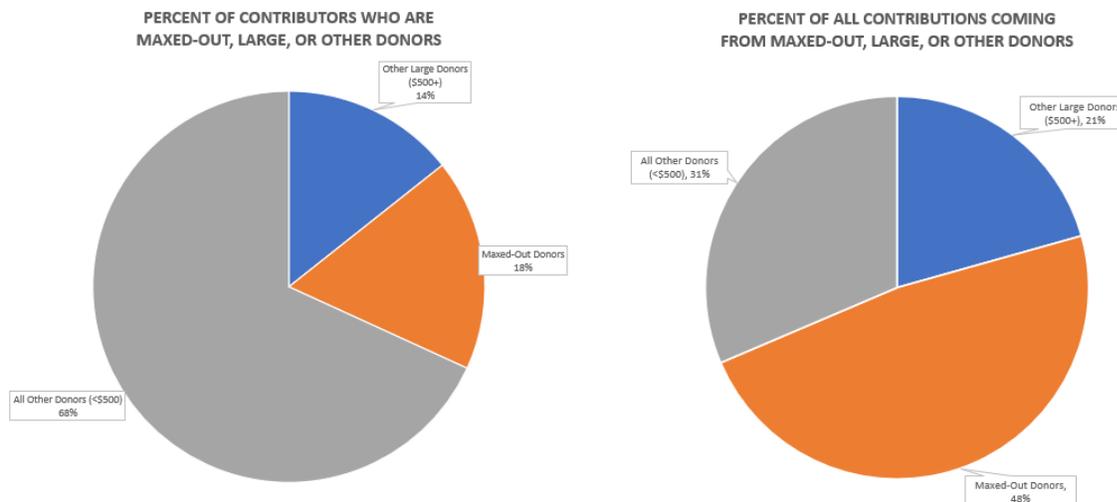
1. Candidates will raise more money for their campaigns overall.
2. Proportionally more of a candidate's campaign funds will come from large donors, many of whom will max-out at the new higher limits.
3. Total independent expenditure (IE) spending will likely be unaffected, but with higher limits candidates can raise more funds to better get their message out compared with IEs.

1. Increased Fundraising

If the contribution limits are increased, candidates will necessarily raise more money. By what percentage this will boost candidate fundraising is difficult to predict, but it is likely to be significant, as a substantial amount of Oakland candidates' funds comes from maxed out donors.

According to a PEC data analysis of 20,186 reported campaign contributions to Oakland City (Mayor, City Attorney, City Auditor, and City Council) and OUSD candidates between January 1, 2019, and December 31, 2024, maxed-out campaign donors alone accounted for nearly half (48%) of all campaign funds over three election cycles, while representing only 18% of all itemized contributors.

Comparison: Large and Maxed-Out Contributions/Contributors vs All Contributions/Contributors from 2019-2024



Increasing the limits will cause some donors to contribute up to the new maximum, leading to more funds raised by candidates overall. For example, in 2024, when the Measure W \$600/\$1,200 contribution limits went into effect, there were 953 maxed-out individual/business contributions and 112 maxed-out broad-based political committee contributions. Together, these contributions accounted for almost \$630,000 in contributions to candidates (about 48% of all funds raised). If instead the proposed \$900/\$1,800 limits had been in effect, and we assume 50% of contributors that maxed out at \$600/\$1,200 would still max-out at the new proposed limits of \$900/\$1,800, candidates would have raised an additional \$176,550 in total, or up to a few tens of thousands of dollars more per competitive candidate. If 75% max out at the higher limits, candidates would have raised an additional \$264,825. And if 100% maxed out, it would mean an additional \$353,100.

2. Increased Reliance on Major Donors

As described above, increasing contribution limits will enable candidates to raise more money overall from large donors, which will also increase candidate reliance on these donors. The PEC’s data analysis of the 2020, 2022, and 2024 election cycles shows that the lower contribution limits in 2024 had the intended effect of lowering the proportion of total candidate funding coming from large donors.

Oakland candidates raise a majority of their funds from large donors. From 2019 through 2024, candidates for Oakland or OUSD office raised a total of \$5.9 million. Large \$500+ donors accounted for only 32% of all itemized contributors to campaigns,³ but they accounted for 68% of the total amount contributed. Reliance on large donors was higher in the 2020 (66% of funds from large donors) and 2022 election cycles (72%), when contribution limits were \$900, compared with 2024 (57%) when the limits were lowered to \$600.

³ Candidates only need to report the identity of contributors who give \$100 or more. Contributions from contributors giving \$100 or less are lumped together as “unitemized” contributions. The number of unitemized contributors is not reported.

Campaign Funds Raised by Donor Type by Election Cycle

AMOUNT RAISED:	2019-20	2021-22	2023-24
Total	\$2,014,505	\$2,626,850	\$1,313,237
From Large Donors (\$500+)	66%	72%	57%
From Other Itemized Donors (<\$500)	23%	23%	32%
From Unitemized Donors	11%	5%	11%

While Oakland candidates overall rely heavily on maxed-out contributions, this can vary significantly for individual candidates. For example, in a 2020 Council District election, one candidate received 58 maxed-out contributions, accounting for 73% of the total amount the candidate raised, whereas their closest challenger received only 3 maxed-out contributions, accounting for just 15% of their contributions raised. As the chart below comparing incumbent and challenger fundraising demonstrates, candidates will often have a 2:1 advantage in raising maxed-out contributions over their nearest competitor. Increasing contribution limits will therefore provide the greatest advantage to candidates who already have access to networks of wealthy individuals or businesses who can afford to donate \$900, compared with candidates who raise most of their funds from small contributors, whose giving would not be affected by raising the maximum limits. Interestingly, and contrary to the academic literature,⁴ incumbents in Oakland do not have a clear advantage in raising maxed-out contributions in recent elections.

**Reliance on Maxed-Out Contributions
 by City Council Incumbents and Nearest Challengers**

Council Contest	Filer	# of Unique Contributors	# of Maxed Contributions	% of \$ Amount from Maxed
Race 1 (2022)	Incumbent	358	60	44.5%
	Challenger	98	19	51.50%
Race 2 (2020)	Incumbent	322	60	39%
	Challenger	650	135	49.5%
Race 3 (2020)	Incumbent	420	50	33.6%
	Challenger	442	65	38.7%
Race 4 (2020)	Incumbent	403	98	49.6%
	Challenger	660	77	36.7%
Race 5 (2020)	Incumbent	124	58	73.2%
	Challenger	98	3	14.58%

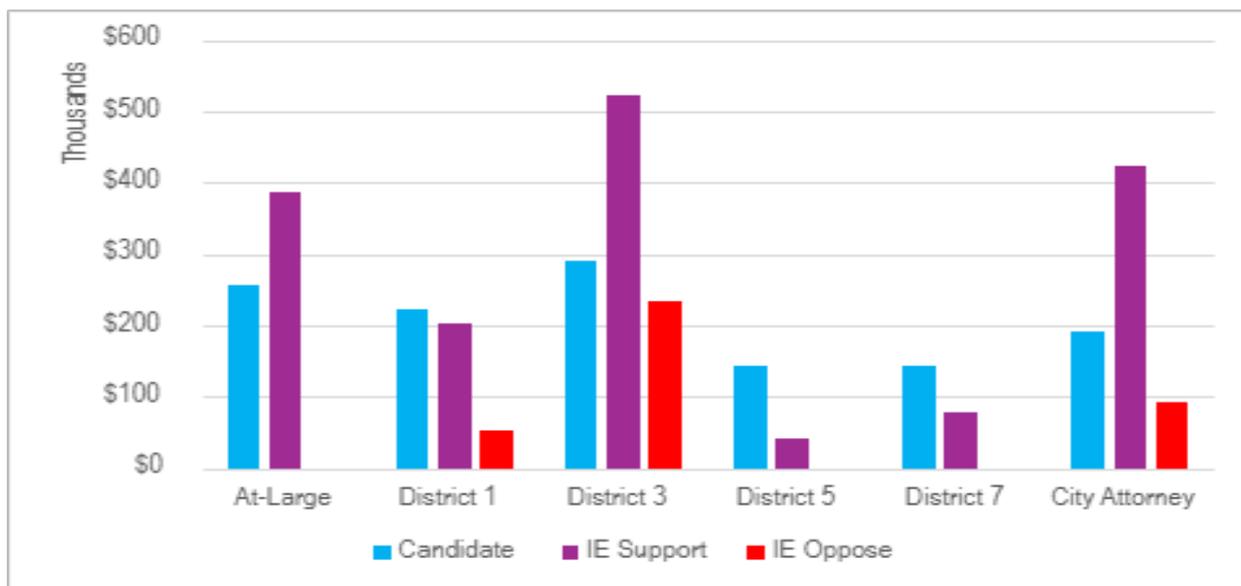
⁴ Some academic literature finds that lower contribution limits evens the fundraising playing field between incumbents and challengers. See Thomas Stratmann, “How Close is Fundraising in Contested Elections in States with Low Contribution Limits?” (May 7, 2009), available at <https://ssrn.com/abstract=1400789>.

3. IE Spending Unlikely to Change, but Candidates would Raise Proportionally More Money

While OCRA limits how much people can contribute to candidate campaign committees, U.S. Supreme Court precedent prevents the government from limiting the amount of money political committees can independently raise and spend to support or oppose candidates. Raising contribution limits by \$250/\$500 is unlikely to affect the total amount of IE spending in Oakland, because the increase is too small for significant independent spending – which is often in the tens of thousands of dollars – to be converted into direct contributions. However, as discussed above, because candidates will likely raise more money from large contributors under this proposal, the candidate proportion of total campaign spending will be higher than would be the case with tighter limits.

In several Oakland elections over the past few election cycles, including the 2024 election and 2025 special election, there has been substantial independent expenditure (IE) spending, often dwarfing candidate spending. For example, in 2024, total IE spending exceeded total candidate spending in 5 out of the 7 elections that cycle.

2024 Campaign Spending: All Candidates vs All Independent Expenditures (IEs)



In the absence of a robust public financing system, allowing candidates to raise funds at higher contribution levels would enable candidate spending to be somewhat more competitive with IE spending, although if recent IE spending trends continue such spending will likely still be higher than candidate spending.

Staff Comments/Recommendations:

1. Improvements Over the 2024 Proposal: The authors have made some changes to this proposal which make it an improvement over the 2024 proposal. Namely, the proposal

requires that candidates accept expenditure limits to receive the higher contribution limits, which is closer to how Oakland's contribution limits operated pre-Measure W. In addition, the change is being made well in-advance of the 2026 election.

2. Furtheres the Purposes of OCRA? The Commission may wish to consider and provide its perspective as to whether or not the proposed amendments increasing contribution limits until the Democracy Dollars Program launches furtheres the purposes of the OCRA.
3. \$900 or \$800 Limits? Originally, the 2024 proposal would have increased Oakland's contribution limits from \$600/\$1,200 to \$900/\$1,800 (similar to this proposal); however, the City Council revised the proposal to instead provide limits of \$800/\$1,500, which was approved on first reading but ultimately failed adoption. The Commission may wish to consider whether \$900 or some lower amount is more appropriate.
4. **Recommendation - Move the Start Date to July 1:** Staff recommends that the start date for the new candidate contribution limits be July 1, 2025, instead of once the ordinance goes into effect, which will likely be sometime in June. A July 1 start date is preferable to having the new limits start immediately in June because this later date:
 - Gives PEC staff a few weeks to implement the proposal to minimize confusion and help candidates avoid inadvertently breaking the law. Implementation steps include creating expenditure limit acceptance forms, updating the PEC's website and educational materials to account for the new rules, and providing an advisory to candidate committees.
 - Avoids changing the contribution limits mid-reporting period. Active candidate committees are required to report all their campaign activity between January 1 and June 30. Keeping the contribution limits for the remainder of the reporting period helps to minimize the chance of confusion and simplifies the Commission's facial review of campaign reports for compliance.
 - Aligns the proposal with the new budget cycle (which begins July 1). The premise of this proposal is that Democracy Dollars cannot be implemented in 2026, which will be confirmed if the 2025-27 budget, as expected, does not include funding for Democracy Dollars vouchers. Implementing the new rule prior to July 1 seems premature since the unavailability of vouchers is not yet confirmed.
5. **Recommendation - Move the End Date to December 31, 2026:** Staff recommends that the end date for the new candidate contribution limits be December 31, 2026, instead of June 30, 2029. The current proposals sets as a default assumption that Democracy Dollars will not be implemented in 2028. However, following the City Council's own

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directive, the PEC is preparing a ballot measure for the 2026 ballot which would raise funds to fully-fund Measure W. If such a measure passes, higher limits are unnecessary after that. If such a measure is not placed on the ballot or does not pass, and the budget situation remains challenging such that implementation is unlikely, the City Council could then pass an amendment just extending the sunset date for this ordinance to 2029. Assuming now that Democracy Dollars cannot be implemented in 2028, when there are many unknowns, may be contrary to the spirit of Measure W, which mandates implementation and requires that any waiver of minimum spending be re-determined each budget cycle, which could undermine the argument that this proposal furthers the purposes of OCRA/Measure W.

II. OFFICEHOLDER FUND

Background

Under OCRA, every elected City official is permitted to establish an officeholder expense fund. (OMC 3.12.150(A).) Elected officials may make expenditures from the fund “for any political, governmental or other lawful purpose,” including (for example) for office equipment, part-time staff, research, travel, donations to charities, educational materials, and mailing to constituents. (*Id.*(C).) However, the fund may not be used for an elected official’s campaign expenses, nor may officeholder funds be transferred into a candidate’s campaign committee.

Officeholder funds are subject to the same per-contributor limits that candidates are subject to (i.e., \$650 from businesses and individuals and \$1,300 from broad-based political committees), but on a per year instead of per election basis. In addition, there is an annual *total contribution limit* (i.e., from all sources) to officeholder funds of \$25,000 for District Councilmember, School Board Member, and City Auditor; \$30,000 for City Attorney and At-Large Councilmember; and \$50,000 for Mayor. Because this total annual limit is per year, and *not* per term in office, an officeholder who served all four years of their term and maxed out their officeholder fund each year would raise 4x that limit by the end of their term, e.g. a maximum of \$100,000 for a councilmember serving a four-year term.

OCRA’s officeholder fund law seeks to balance two competing interests. The law enables elected officials to raise funds (separate from their candidate committees) to serve their constituents, saving the general purpose fund money. However, similar to OCRA’s campaign finance rules, to guard against corruption or its appearance, it caps how much money elected officials may receive per contributor and in total.

Proposal

This proposal would permanently increase the officeholder fund *total* annual contribution limits to \$75,000 for District Councilmembers (up from \$25,000) and \$100,000 for citywide

officeholders (up from \$25,000 for City Auditor, \$30,000 for City Attorney and At-Large Councilmember, and \$50,000 for Mayor). School Director officeholder fund limits would remain the same at \$25,000. The proposal also would not change other rules for officeholder accounts, nor would it raise the per-contributor contribution limits to officeholder accounts.

According to the proponents:

“In addition to raising contribution limits, this legislation seeks to raise officeholder account annual limits for Councilmembers and at-large offices in order to supplement city funds that were once available to support various projects and community-based non-profits across the City of Oakland. ... Due to the City’s structural deficit, previous funds which had been made available to elected officials, such as community arts grants for each Council office, are no longer available. Raising the limits would allow elected officials to support programs and initiatives in their district and the broader community, as well as host public events to foster transparency and civic engagement in local government.”

Current Usage of Officeholder Accounts

While most Oakland elected officials establish officeholder funds, few officials come close to the annual officeholder fundraising limit. As the chart below demonstrates, between 2018 and 2024, or seven years of officeholder fund data, no officeholder has come within \$5,000 of the contribution limits more than twice. In addition, in all but one instance where an officeholder approached the annual contribution limit, it was immediately after their election when they were re-designating the surplus funds in their campaign committee into an officeholder fund. This shows that is exceedingly rare for officeholders fundraising mid-term to come up against the current limits.

District Councilmember Officeholder Fund Reporting⁵

Year	District 1	District 2	District 3	District 4	District 5	District 6	District 7
2018	\$-	\$-	\$1,700	\$27,660	\$-	\$-	\$-
2019	\$700	\$22,536	\$-	\$13,050	\$-	\$-	\$-
2020	\$-	\$5,450	\$-	\$600	\$-	\$12,629	\$-
2021	\$-	\$22,450	\$25,370	\$3,500	\$-	\$7,008	\$24,619
2022	\$-	\$14,200	\$7,390	\$6,600	\$-	\$-	\$-
2023	\$-	\$8,999	\$6,216	\$21,570	\$-	\$17,000	\$845
2024	\$-	\$226	\$4,260	\$2,800	\$-	\$9,600	\$-
Annual Limit	\$25,000						
Years Within \$5k of Limit	0	2	1	2	0	0	1

Comparing the Proposed Increase to Inflation

The last time the total annual contribution limits for officeholder funds were adjusted was in 1999 (Ord. No. 12998), when the mayoral limits were adjusted. Unlike Oakland’s individual contribution limits, which have always been indexed to inflation, the officeholder funds are not, so have not changed in that time. According to the federal Bureau of Labor Statistics, the consumer price index (CPI) for the San Francisco-Oakland-Hayward, CA area has increased by 109.2% from February 1999 to February 2025.⁶

The chart below shows side-by-side (1) the current Officeholder Fund annual contribution limits, (2) what the limits would be today if they had been CPI-adjusted since 1999, and (3) the Ramachandran/Houston/Jenkins proposed limit increases:

Office	Current Annual Limit	CPI-Adjusted Annual Limit	Proposed Annual Limit
School Board Member	\$25,000	\$52,307	\$25,000
District Councilmembers	\$25,000	\$52,307	\$75,000
City Auditor	\$25,000	\$52,307	\$100,000
Councilmember At-Large City Attorney	\$30,000	\$62,768	\$100,000
Mayor	\$50,000	\$104,614	\$100,000

⁵ When a candidate redesignates their campaign committee as an officeholder committee, they may only transfer in up to the annual total contribution limit for officeholder funds. This chart in some cases shows more than the annual limit being provided. However, this simply reflects a limitation in how the PEC is pulling data. The NetFile system does not permit the PEC to pull reports based on when a campaign committee is redesignated, so some of these initial amounts capture some funds that were in the campaign committee but had likely already been expended prior to re-designation.

⁶ The CPI in February 1999 was 169.4, compared with 354.43 in 2025. Source: [Bureau of Labor Statistics](#).

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As the chart above demonstrates, except as to the Mayoral officeholder fund limits, the proposed increases are significantly higher than inflation since the last adjustment in 1999.

Behested Payments as an Alternative to Supporting Community Groups

One argument for raising the annual officeholder fundraising limit is so that officeholders may better support community organizations active in Oakland, especially while the City is in a difficult fiscal situation and may be cutting back on grants and contracts that might otherwise have supported these groups. According to the authors of this proposal in discussion with the Executive Director, each Councilmember used to have dedicated funding to spend in their district, but that this funding approach was eliminated in prior budget cycles. Raising officeholder fund contribution limits would enable councilmembers and other elected officials to raise more discretionary funds to meet district priorities.

While this proposal permits elected officials to raise more for their own mostly discretionary spending, it is important to note that elected officials may already fundraise on behalf of *other organizations* without limits. So-called “behested payments” are any payments made by an entity (usually a business) to another entity (usually a nonprofit) at the behest of an elected officials. Because the funds go directly to the recipient organization, and are not directly given to a committee controlled by the elected official, there is no dollar limit on behested payments, but state law does require that elected officials disclose when a payment is made.

Under State Government Code Section 84224 and associated regulations, local elected officials are required to report any payments made at their behest over \$5,000 within 30 days. As explained by the [Fair Political Practices Commission](#):

“Under California's transparency laws, an elected official who fundraises or otherwise solicits payments from one individual or organization to be given to another individual or organization may be required to report the payment. Generally, a payment is considered ‘behested’ and subject to reporting if it is made:

- At the request, suggestion, or solicitation of, or made in cooperation, consultation, coordination or concert with the public official; and
- For a legislative, governmental or charitable purpose.

... State law requires the reporting of behested payments if they total \$5,000 or more per calendar year from a single source.

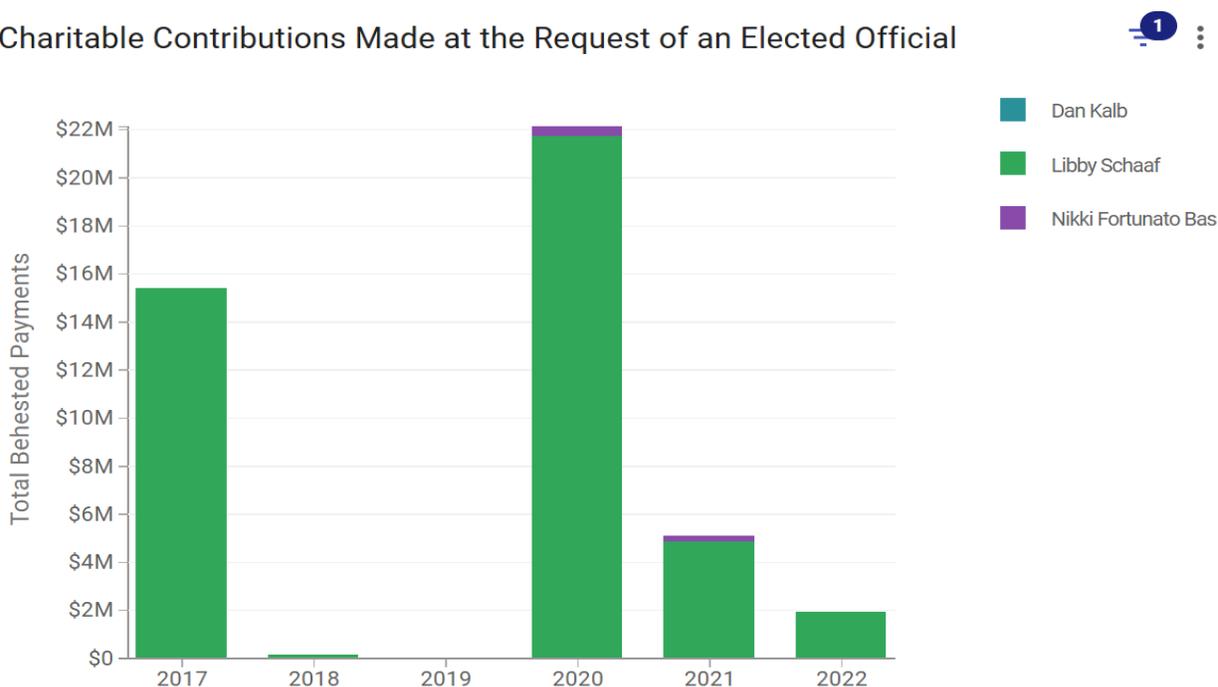
Officials must report the behested payments within 30 days of the date on which the payment meets or exceeds \$5,000 from a single source.”

Behested payment reports are made using Form 803 and are filed with the elected official’s agency. A copy of that report must be transmitted to the City’s campaign finance filing officer,

in this case, the PEC, within 30 days. To assist with the filing process, Oakland provides an [online portal](#) that elected officials may use to fill out their Form 803: the final form may be printed and submitted to their agency, while an electronic copy is automatically transmitted to the PEC. The PEC posts all Form 803 data online for the public to view [here](#).

Based on filings over the past six years, Oakland elected officials, except for former Mayor Libby Schaaf, requested relatively few behested payments over the \$5,000 reporting threshold. No Form 803 was filed in Oakland between 2023 and 2025. However, from 2020 to 2022, former Mayor Schaaf reported almost \$29 million in behested payments, which would exceed by a substantial margin even the officeholder limits proposed here.

Charitable Contributions Made at the Request of an Elected Official



Staff Comments/Recommendations:

1. Is there a need to increase the officeholder limits? Oakland elected officials are not currently coming close to their officeholder limits. If the primary reason for this change is to raise substantial sums for community groups, it may be that the same objective can be achieved using behested payments. Alternatively, if the primary goal is to ensure officials have enough funds to cover policy-related activities, like pay for travel for governmental purposes, the existing limits may be sufficient.
2. **Recommendation – Do Not Raise the Officeholder Limits Or Adjust the Limits for CPI Since 1999:** Staff recommends the Commission either recommend (1) not increasing the total annual officeholder fund limits, or (2) increasing the limits to account for approximate inflation since 1999 only.

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OCRA may only be amended to further its purposes. In general, relaxing the limits is likely contrary to OCRA’s purposes, which imposed the limits in the first place and has as a purpose preventing elected officials from becoming beholden to major donors. A reason to raise the limits might be if these limits were impeding elected officials from supporting worthy community groups, but there is no strong evidence of that at present. For this reason, staff recommends either keeping the limits the same, or at best adjusting them for inflation since the last time the Council assessed the limits.

If the Commission chooses the later recommendation, only adjusting the officeholder fund annual total contribution limits to account for CPI, Staff recommends adopting the following rounded limits (about double the current limits), which approximate the CPI increase but are easier to remember:

- \$50,000 annual limits for District Councilmembers and School Board Members;
- \$65,000 annual limits for the At-Large Councilmember, City Attorney, and City Auditor (this is a more-than-CPI increase for the Auditor; however, Staff agrees the Auditor should be treated similarly to other citywide officeholders other than the Mayor); and
- \$100,000 annual limits for the Mayor.

III. Limited Public Financing Program

Background

The Limited Public Financing (LPF) Program is Oakland’s traditional campaign financing program. First established in 1999, the Program has provided public financing to support candidates running for City Council District office for more than 20 years. The enumerated purposes of the Program include reducing “the influence of large contributors with a specific financial stake in matters under consideration by the City,” countering “the perception that decisions are influenced more by the size of contributions than by the best interests of the people of Oakland,” and ensuring “that serious candidates are able to raise enough money to communicate their views and positions adequately to the public.” OMC 3.13.030.

In 2022, Oakland voters repealed the LPF, intending to replace the Program with the more robust Democracy Dollars public financing Program. However, when the Democracy Dollars Program was postponed, the City Council, at the PEC’s recommendation, voted to extend the LPF through the 2024 election cycle only.

LPF Program Requirements

The LPF was a reimbursement-based public financing program that applied to City Council District elections only and was administered by the PEC. Prior to 2024, to be eligible for the LPF program, a candidate had to accept voluntary expenditure limits and raise funds from Oakland residents and businesses equal to at least 5% of the expenditure limits, and expend an amount equal to the 5% threshold. Once a candidate qualified for the Program, they could

request reimbursement of certain enumerated types of campaign expenses, like campaign mailers, from the PEC in \$1,000 increments. The PEC had 10 days to review and approve or deny the reimbursement request and disburse the funds to the candidate. Candidates could not receive reimbursements totaling more than 30% of the expenditure limit, or a lesser amount if there were insufficient public funds for every candidate to receive the maximum. In most elections, the upper cap was not used.

2024 Reauthorization & Use

The FY 23-25 budget failed to provide sufficient funds for implementing the Democracy Dollars Program, but did include \$155,000 in discretionary funding for the PEC, which was the same amount that had been appropriated for the LPF Program in prior years. Following passage of the budget, the PEC recommended that the City Council re-adopt a version of the LPF, to ensure that public financing would continue to be available in Council District elections in 2024. The PEC proposal largely re-authorized the LPF that had existed until its repeal under Measure W, but also incorporated some of the policy changes adopted with that ballot measure, like revised expenditure limits and imposing a debate requirement for candidates to receive public funds. (The PEC [August 2023](#) and [October 2023](#) staff reports provide more detail on these changes.) The City Council adopted the PEC proposal, including a section sunsetting the LPF after the 2024 election, in anticipation that the Democracy Dollars Program would be implemented in 2026.

In total, seven Council District candidates –including at least one candidate from each Council district up for election– qualified for the LPF Program in 2024. The Commission distributed all \$155,000 appropriated in the budget, resulting in each qualifying candidate receiving the maximum of \$22,142.85 in eligible reimbursements. For some candidates, including some winning candidates, the LPF disbursement accounted for more than 25% of the total funds raised for their campaigns.

Name	District	Total Funds Dispersed
Zac Unger	1	\$22,142.85
Carroll Fife	3	\$22,142.85
Warren Logan	3	\$22,142.85
Noel Gallo	5	\$22,142.85
Erin Armstrong	5	\$22,142.85
Ken Houston	7	\$22,142.85
Iris Merriouns	7	\$22,142.85
	TOTAL	\$154,999.95

This is similar to the maximum potential reimbursement provided in 2020 (\$21,857), but lower than the distribution in 2022 (\$35,400) when there were fewer candidates.

Proposal

The LPF presently specifies that it may only be used for the 2024 election cycle. This proposal would amend that section to specify that the LPF may be used by candidates for Council District Office running in the 2026 and 2028 election cycles, *subject to appropriation in the budget*. The Section specifies that the LPF shall not apply to any City Council District election for which the Commission projects that the amount of Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Council District office (i.e., the same standard for reverting back to lower campaign contribution limits).

According to the proponents:

“The proposed amendment would operate under similar logic of the temporary change in Limited Public Financing enacted in October 2023: although Measure W expressly rescinded the Limited Public Financing Program, the Public Ethics Commission and City Council agreed that it was not simply acceptable, but specifically fair and just to candidates to reinstate a 2024 version of the Limited Public Financing Program in order to bridge the gap in funding for 2024 candidates, who could not take advantage of Democracy Dollars due to budgetary constraints.

“Since the Limited Public Financing Act of 2024, as referenced above, only applied to the 2024 general election, authors propose to restore Limited Public Financing to apply to the 2026 and 2028 elections, knowing that Democracy Dollars will likely not be implemented in these years. This is intended to temporarily bridge the gap in potential funding sources for candidates due to unavailability of the Democracy Dollars program coupled with severe cuts to the Limited Public Financing program. Reinstating Limited Public Financing will help ensure candidates can focus on communicating their views and positions to all Oakland residents and will ensure that having access to networks of wealthy donors is not a prerequisite for running a competitive campaign.”

Staff Comments/Recommendation

1. Subject to appropriation (vs mandatory). Prior to the passage of Measure W, the Municipal Code required that funding be provided for the LPF, although not the precise amount. This proposal makes implementation of the LPF subject to appropriation in the budget, which is a discretionary Council action. In other words, if this proposal passes, the LPF is not automatically re-established unless the Council also provides funds in the budget for the LPF. (In recent cycles, the LPF has been funded at \$155,000 over two years, or \$77,500 per year.)
2. **Recommendation – Support:** Staff recommends supporting this proposal. If, as appears likely the Democracy Dollars Program will not be available in 2026, the LPF

should be renewed so that Oakland does not go without public financing in 2026. In 2022 Oakland voters voted overwhelmingly to strengthen public financing in Oakland with the adoption of the Democracy Dollars Program: entirely repealing all public financing in 2026, for the first time in more than 20 years, would be directly contrary to the will of Oakland voters and would result in candidates for City Council being even more reliant on wealthy donors to support their campaigns.

If this proposal is amended to increase contribution limits for the 2026 election only (and not automatically for 2028 as well), staff recommends that the LPF similarly only be extended for the 2026 cycle only. However, if this proposal continues to increase contribution limits for the 2028 cycle on the presumption that the Democracy Dollars Program will not be available in 2028, then the LPF should be extended to 2028 upon the same rationale.

Additional Attachments:

- Councilmembers Ramachandran, Houston, and Jenkins Memo
- Draft Proposal Language

Item 05 - Proposal to Amend the Oakland Campaign Reform Act



AGENDA MEMO

TO:	Members of the Oakland Public Ethics Commission	FROM:	Councilmember Janani Ramachandran, District 4; Councilmember Kevin Jenkins, District 6; and Councilmember Ken Houston, District 7
SUBJECT:	Temporary Increases in Contribution Limits	DATE:	May 8, 2025

RECOMMENDATION:

Councilmembers Janani Ramachandran, Kevin Jenkins, and Ken Houston recommend that the Public Ethics Commission support our proposal to:

Adopt An Ordinance Amending Oakland Municipal Code Title 3, Municipal Elections, Article III, Chapter 3.12, The Oakland Campaign Reform Act, To Add Section 3.12.045 To Temporarily Increase Contribution Limits For Candidates In 2026 Elections And To Amend Section 3.12.150 To Increase Officeholder Fund Limits

SUMMARY OF CHANGES AND RATIONALE

Campaign Contribution Limits

The proposed amendment to the Oakland Campaign Reform Act seeks to *temporarily* raise individual contribution limits back to the 2022 levels of \$900, and the broad-based committee contribution limits to \$1800 for any individual election until Democracy Dollars is implemented for that respective election. This temporary increase of contribution limits will sunset – regardless of whether or not Democracy Dollars is implemented, in June 2029. The goal of this ordinance is to bridge the gap in potential funding sources for candidates due to the present unavailability of Democracy Dollars Program, and severely curtailed funding for the Limited Public Financing Program. The contribution limit increase would only apply to candidates who have accepted voluntary expenditure limits.

This ordinance is in line with the spirit of voter-passed initiatives including Measure W, the Oakland Fair Elections Act, passed in 2022. While Measure W reduced candidate contribution limits (to \$600 for individual contributions and \$1200 for committee contributions), it did so with the hope that a fully funded Democracy Dollars program would be implemented.

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Unfortunately, this program was not available to Oakland residents or candidates during the 2024 election cycle, or the 2025 special election, and will likely not be available in the 2026 election due to continued budget constraints. Given the delay, this amendment would increase candidates' ability to fundraise at the previous threshold, without reliance on powerful independent expenditures - consistent with the measure. With the ability to accept slightly larger donations, candidates will be able to dedicate more time that would be spent on fundraising to instead focus on community engagement and voter outreach.

Influence of Independent Expenditures

National elections and outside influence have added to the rise in Independent Expenditures influencing local elections through flashy mailers, ads, and media campaigns. As a result, it is becoming increasingly difficult for local grassroots candidates and campaigns to achieve matched name-recognition and effectively reach all the voters in their district. For example, in the 2024 election, some candidates received support of over \$250,000 from one Independent Expenditure – giving these candidates an unmatched edge in name recognition and exposure that was not controlled by individual campaigns.

In the recent Special Election, independent expenditures were even more prominent and out of control, with a lack of transparency about where the money was coming from. Some candidates were supported by astroturf groups connected to wealthy individuals and corporations, which poured significant funding into this competitive race and had virtually no accountability to established campaigns.

The goal of this legislation is to uplift candidates' own ability to spread their own message and diminish the adverse impact of independent expenditures, which candidates do not control. Implementing increased contribution limits goes a long way in ensuring that lower-profile, grassroots candidates have a level playing field on the campaign trail. Even a difference of \$300 could mean the difference in paying one additional bilingual canvasser for one week to reach low-propensity voters in neighborhoods that are typically left out or unengaged in civic or political processes.

Comparison to Other Cities

Several other cities in California currently have larger contribution limits, including Sacramento, Fresno, and Hayward. Both Fresno and Sacramento have populations comparable to the size of Oakland (around 450,000 – 500,000), so these offer good comparisons. Sacramento currently has an individual contribution limit of \$2050 and committee contribution limit of \$6800 for local elections, while Fresno has an individual contribution limit of \$5500 and committee contribution limit of \$10,900. Hayward, with a population less than half the size of Oakland's, has individual contribution limits of \$1295.

Proposed Timeline

This legislation establishes a sunset of the temporary contribution limit increase on June 30, 2029, regardless of whether or not Democracy Dollars is implemented for respective races by then. This date reflects the current budget challenges in the City of Oakland and unlikelihood of the Democracy Dollars program being funded for the 2026 or even 2028 election cycles. The proposed changes would be effective immediately upon passage. However if at some point

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before June 2029, Democracy Dollars funding of at least \$30,000 per certified candidate becomes available, the increased contribution limits would revert to previous limits set under Measure W.

Limited Public Financing

The proposed amendment would operate under similar logic of the temporary change in Limited Public Financing enacted in October 2023: although Measure W expressly rescinded the Limited Public Financing Program, the Public Ethics Commission and City Council agreed that it was not simply acceptable, but specifically fair and just to candidates to reinstate a 2024 version of the Limited Public Financing Program in order to bridge the gap in funding for 2024 candidates, who could not take advantage of Democracy Dollars due to budgetary constraints.

Since the Limited Public Financing Act of 2024, as referenced above, only applied to the 2024 general election, authors propose to restore Limited Public Financing to apply to the 2026 and 2028 elections, knowing that Democracy Dollars will likely not be implemented in these years. This is intended to temporarily bridge the gap in potential funding sources for candidates due to unavailability of the Democracy Dollars program coupled with severe cuts to the Limited Public Financing program. Reinstating Limited Public Financing will help ensure candidates can focus on communicating their views and positions to all Oakland residents and will ensure that having access to networks of wealthy donors is not a prerequisite for running a competitive campaign.

Officeholder Annual Limits

In addition to raising contribution limits, this legislation seeks to raise officeholder account annual limits for Councilmembers and at-large offices in order to supplement city funds that were once available to support various projects and community-based non-profits across the City of Oakland. For Councilmember accounts, the limits would increase to **\$75,000** per year. For at-large offices including Council At-Large, Mayor, City Auditor, and City Attorney, the limits would increase to **\$100,000** per year. Due to the City's structural deficit, previous funds which had been made available to elected officials, such as community arts grants for each Council office, are no longer available. Raising the limits would allow elected officials to support programs and initiatives in their district and the broader community, as well as host public events to foster transparency and civic engagement in local government.

Commitment to Implementing Measure W

We remain committed to the ensuring the full implementation of Measure W, the Oakland Fair Elections Act, including the establishment of the Democracy Dollars Program. However, we recognize that given our budget situation and forecasts for the next few years, it may not practically be implemented by 2026 as currently intended given the numerous start-up costs and staffing needs that have not been fully funded in the 2023-2024 budget, and the \$4,000,000 minimum required amount to be committed to the program in implementation years. Not only was there a very steep budget deficit that the City struggled to close in order to maintain a fully balanced budget over the past two years— but there are also projections from the City's Finance

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Department that the upcoming five-year forecast will continue to be strained in terms of generating revenue from a shrinking number of sources. These estimates factor in the realities, in which Oakland is not alone, of rebounding from the pandemic with a slower tourism and sales industry, dealing with a volatile real estate market due to high interest rates, and corresponding declines in real estate transfer taxes, among other factors.

While we fully hope that the Democracy Dollar program can be implemented as soon as possible, we want to ensure that the overarching goals of ensuring that all candidates – especially those from marginalized and historically under-represented economic, racial, and other societal backgrounds – are fully supported in their abilities to adequately raise funds to run a successful campaign. We recognize the realities that lowered contribution limits – absent public funding from the Democracy Dollars program, and with a reduced Limited Public Financing Program – will severely impact candidates’ abilities to run successful campaigns and instead amplify the voices of those candidates with access to the backing of high-sum independent expenditures.

Conclusion

In conclusion, our proposed amendment seeks to *temporarily* raise individual contribution limits back to the 2022 levels of \$900, and the broad-based committee contribution limits to \$1800 until June 2029 – in order to further the voter-approved goals of ensuring that diverse candidates are supported financially to have viable campaigns. Furthering this goal, this ordinance would re-enact the Limited Public Financing Act for the 2026 and 2028 elections to allow candidates more support for reaching a larger number of voters. Finally, the ordinance would increase officeholder annual limits to allow for Councilmembers, Mayor, and other city-wide offices to more actively contribute to public-serving programs and initiatives in their respective districts.

PROPOSED LANGUAGE

SECTION 1. The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them part of this Ordinance.

SECTION 2. The City Council hereby adopts the addition of Title 3, Municipal Elections, Article III, Chapter 3.12, section 3.12.045 of the Oakland Municipal Code, as set forth below (new section number and heading title indicated in **bold type**):

3.12.045. Temporary Contribution Limit Increase for Candidates.

- A. This section shall apply only to a candidate running for City Office that has accepted the voluntary expenditure limits identified in section 3.15.140(A), as adjusted by the increase in the Consumer Price Index under section 3.15.200(A) and who has filed a statement with the Commission on a form approved for such purpose indicating such acceptance.
- B. Effective immediately, the contribution limits to a candidate specified in sections 3.12.050(A) and 3.12.050(B) shall be increased to nine hundred dollars (\$900).

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- C. Effective immediately, the contribution limits to a candidate specified in sections 3.12.060(A) and 3.12.060(B) shall be increased to one thousand eight hundred dollars (\$1,800).
- D. Contributions received prior to the effective date of this section, or prior to a candidate accepting the expenditure limits, whichever occurs later, shall be subject to the limits in effect at the time the contribution was made.
- E. If a candidate declines to accept voluntary expenditure limits and receives contributions or makes qualified campaign expenditures equal to fifty percent (50%) or more of the voluntary expenditure limit, or if any person makes one (1) or more independent expenditures totaling more than thirty thousand dollars (\$30,000.00) on a District City Council or School Board Director election, totaling more than fifty thousand dollars (\$50,000) on City Attorney, City Auditor, or At-Large City Council election, or totaling more than one hundred thousand dollars (\$100,000) on a Mayor election, the applicable voluntary expenditure limit shall no longer be binding on any candidate running for the same office.
- F. This section shall not change the contribution limits for officeholder expense funds pursuant to 3.12.150(E). Candidates qualifying for the temporary contribution limit increases set forth in this section may, within one year from the date of their election, redesignate their candidate committee into an officeholder fund, including any funds lawfully raised under the temporary contribution limit increases set forth in this section, so long as the fund balance does not exceed the amount of the total annual contribution limits in Section 3.12.150(A). When such redesignation occurs, existing committee funds shall count against the contribution limits in Section 3.12.150(A). The contribution limits under Section 3.12.150(E) are inapplicable to any existing funds when such redesignation occurs but will apply to subsequent contributions to the officeholder fund.
- G. The increased contribution limits set forth in subsections (B) and (C) above, shall not apply to any City Office for which the Commission projects, pursuant to sections 3.15.070(C) and (E), that the amount of Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Office. The Commission shall set the effective date for when the contribution limits for any such impacted City Office shall revert to the limits specified under sections 3.12.050 and 3.12.060. Any reversion shall be prospective only and shall not require a candidate to return any contribution made prior to the reversion which exceeded the limits specified in sections 3.12.050 and 3.12.060.
- H. Beginning in January of 2027 and in January of every odd-numbered year thereafter, the Commission shall increase the contribution limit amounts set forth in subsections (B) and (C) above, by the percent increase, if any, in the Consumer Price Index for the preceding two (2) years, rounding to the nearest fifty dollar (\$50.00) value. The Commission shall

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use the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-San Jose, CA metropolitan statistical area, as published by the United States Department of Labor, Bureau of Statistics, or if such an index is discontinued, then the most similar successor index. The Commission shall publish the adjusted contribution limits no later than the 1st of February of the year in which the adjustment occurs.

- I. This section will sunset without further Council action on June 30, 2029. Any contributions received after that date shall be subject to the contribution limits specified in sections 3.12.050 and 3.12.060.

SECTION 3. The City Council hereby adopts the amendment of Title 3, Municipal Elections, Article III, Chapter 3.12, section 3.12.150(A) and Chapter 3.13, sections 3.13.060 and 3.13.265 of the Oakland Municipal Code as set forth below (additions are shown in underline; deletions are shown as strikethrough):

3.12.150 - Officeholder fund.

- A. Every elected City official shall be permitted to establish one (1) officeholder expense fund. All contributions deposited into the officeholder expense fund shall be deemed to be held in trust for expenses associated with holding the office currently held by the elected City official. Contributions to the officeholder fund must be made by a separate check or other separate written instrument. Single contributions may not be divided between the officeholder fund and any other candidate committee. For District Councilmembers, ~~City Auditor and School Board Directors~~ total contributions to an officeholder fund shall not exceed ~~twenty-seventy-five thousand dollars (\$7525,000.00)~~ per year in office. For City-wide offices (Mayor, Councilmember At-Large, City Attorney and City Auditor) Councilmember At-Large and City Attorney, total contributions to an officeholder fund shall not exceed thirtyone hundred thousand dollars (\$10030,000.00) per year in office. For School Board Directors ~~the office of the Mayor~~, total contributions to an officeholder fund shall not exceed twenty-five thousand dollars (\$250,000.00) per year in office.
- B. Expenditures from an officeholder fund may be made for any political, governmental or other lawful purpose, but may not be used for any of the purposes prohibited in Subsections C.1. through 5. of this Section. Such allowable expenditures shall include, but are not limited to, the following categories:
 1. Expenditures for fundraising (including solicitations by mail) for the officeholder expense fund;
 2. Expenditures for office equipment, furnishings and office supplies;
 3. Expenditures for office rent;
 4. Expenditures for salaries of part-time or full-time staff employed by the elected City official for officeholder activities;

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5. Expenditures for consulting, research, polling, photographic or similar services except for campaign expenditures for any city, county, regional, State or Federal elective office;
6. Expenditures for conferences, meetings, receptions, and events attended in the performance of government duties by (1) the elected City official; (2) a member of the elected City officials' staff; or (3) such other person designated by the elected City official who is authorized to perform such government duties;
7. Expenditures for travel, including lodging, meals and other related disbursements, incurred in the performance of governmental duties by (1) the elected City official, (2) a member of the elected City officials' staff, (3) such other person designated by the elected City official who is authorized to perform such government duties, or a member of such person's household accompanying the person on such travel;
8. Expenditures for meals and entertainment directly preceding, during or following a governmental or legislative activity;
9. Expenditures for donations to tax-exempt educational institutions or tax exempt charitable, civic or service organizations, including the purchase of tickets to charitable or civic events, where no substantial part of the proceeds will have a material financial effect on the elected officer, any member of his or her immediate family, or his or her committee treasurer;
10. Expenditures for memberships to civic, service or professional organizations, if such membership bears a reasonable relationship to a governmental, legislative or political purpose;
11. Expenditures for an educational course or educational seminar if the course or seminar maintains or improves skills which are employed by the elected City official or a member of the elected City official's staff in the performance of his or her governmental responsibilities;
12. Expenditures for advertisements in programs, books, testimonials, souvenir books, or other publications if the advertisement does not support or oppose the nominations or election of a candidate for City, county, regional, State or Federal elective office;
13. Expenditures for mailing to persons within the City which provide information related to City-sponsored events, school district-sponsored events, an official's governmental duties or an official's position on a particular matter pending before the Council, Mayor, or School Board;
14. Expenditures for expressions of congratulations, appreciation or condolences sent to constituents, employees, governmental officials, or other persons with whom the elected City official communicates in his or her official capacity;
15. Expenditures for payment of tax liabilities incurred as a result of authorized officeholder expense fund transactions;
16. Expenditures for accounting, professional and administrative services provided to the officeholder fund;
17. Expenditures for ballot measures.

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- C. Officeholder expense funds shall not be used for the following:
1. Expenditures in connection with a future election for any City, county, regional, State or Federal elective office;
 2. Expenditures for campaign consulting, research, polling, photographic or similar services for election to City, county, regional, State or Federal elective office;
 3. Membership in any athletic, social, fraternal, veteran or religious organization;
 4. Supplemental compensation for employees for performance of an act which would be required or expected of the person in the regular course or hours of his or her duties as a City official;
 5. Any expenditure that would violate the provisions of the California State Political Reform Act, including Government Code Sections 89506 and 89512 through 89519.
- D. No funds may be transferred from the officeholder fund of an elected City official to any other candidate committee.
- E. Annual contributions received by or made to the officeholder fund shall be subject to the contribution limitations of Article III of this Act.
- ~~F. Expenditures made from the officeholder fund shall not be subject to the voluntary expenditure ceilings of Article IV of this Act.~~

3.13.060 - Establishment of public financing program.

A. Subject to an appropriation by the City Council for this purpose, ~~t~~The Public Ethics Commission shall establish and allocate funds for a public financing program, consistent with this chapter, to fund all candidates eligible to receive public financing running for the office of District City Councilmember in the 2024, 2026 and 2028 general elections.

~~B. The Public Ethics Commission shall allocate a minimum of one hundred fifty five thousand dollars (\$155,000.00) over the 2023—2025 fiscal years from its discretionary funds to the public financing program.~~

B.C. Any unspent funds ~~that the Public Ethics Commission~~ allocated for the public financing program pursuant to Subsection BA, at the end of ~~the a~~ fiscal year 2023—2025 budget cycle shall remain in a fund administered by the Public Ethics Commission ~~fund~~ and accrue for disbursement to candidates eligible for public financing in future elections and for administrative costs.

C.D. Up to seven and one-half percent (7.5%) of the amount allocated to the public financing program pursuant to Subsection BA, may be utilized by the Public Ethics Commission to cover the anticipated cost of administering the provisions of this Act.

3.13.265 - Sunset.

A. This Chapter shall be operative for the 2024, 2026 and 2028 general elections only.

B. Notwithstanding subsection A., this Chapter shall not apply to any City Council District election for which the Commission projects, pursuant to sections 3.15.070(C) and (E), that the amount of

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Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Council District office.

SECTION 4. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 5. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

Respectfully submitted,

Councilmember Janani Ramachandran
District 4

Councilmember Kevin Jenkins
District 6

Councilmember Ken Houston
District 7

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APPROVED AS TO FORM AND LEGALITY

DRAFT

CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS JANANI RAMACHANDRAN AND KEN HOUSTON AND COUNCIL PRESIDENT KEVIN JENKINS

ORDINANCE AMENDING THE OAKLAND CAMPAIGN REFORM ACT (OAKLAND MUNICIPAL CODE TITLE 3, MUNICIPAL ELECTIONS, ARTICLE III, CHAPTER 3.12), TO ADD SECTION 3.12.045 TO TEMPORARILY INCREASE CONTRIBUTION LIMITS FOR CANDIDATES AND TO AMEND SECTION 3.12.150 TO INCREASE OFFICEHOLDER FUND LIMITS AND AMENDING THE LIMITED PUBLIC FINANCING ACT OF 2024 (OAKLAND MUNICIPAL CODE TITLE 3, MUNICIPAL ELECTIONS, ARTICLE III, CHAPTER 3.13), TO AMEND SECTIONS 3.13.060 AND 3.13.265 TO EXTEND THE LIMITED PUBLIC FINANCING ACT TO APPLY TO 2026 AND 2028 GENERAL ELECTIONS

WHEREAS, on November 8, 2022, Oakland voters passed Measure W, which, among other things, repealed Oakland Municipal Code (OMC) Chapter 3.13, the Limited Public Financing Act of Oakland and replaced it with OMC Chapter 3.15, the Oakland Fair Elections Act, which established the Democracy Dollars public campaign financing program to make Oakland elections more equitable, accessible and fair; and

WHEREAS, in light of extreme fiscal necessity, the City Council suspended the Charter-mandated minimum budget set asides for the FY 2023-2025 budget cycle for the Democracy Dollars Fund as it was authorized to do and, on July 12, 2023, the Public Ethics Commission voted to postpone the distribution and use of Democracy Dollars vouchers for the November 2024 election cycle; and

WHEREAS, on October 17, 2023, the City Council, through Ordinance 13767, added OMC Chapter 3.13, the Limited Public Financing Act of 2024 to temporarily restore public financing; and

WHEREAS, as set forth in Ordinance 13767 C.M.S., the Council found that the elimination of all public financing for the 2024 election is contrary to the purposes of the Oakland Fair Elections Act and temporary restoration of a limited public financing program for the 2024

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election furthers the purposes of the Oakland Fair Elections Act; and that it does so by ensuring some type of public financing remains available while the Democracy Dollars is being established and this public financing furthers the purposes of building fairer elections, preventing corruption or its appearance, ensuring candidates can focus on communicating with all Oakland residents and considering policy issues rather than devoting excessive time to fundraising, ensuring that access to networks of wealthy contributors is not a prerequisite for candidates to run a competitive campaign, ensuring candidates participate in public debates, and ensuring candidates raise enough money to communicate their views and positions adequately to the public; and

WHEREAS, the Limited Public Financing Act of 2024 was to be operative only for the 2024 general election and Council now wishes to extend it to apply to the 2026 and 2028 general elections;

WHEREAS, among other things, Measure W also repealed and reenacted the Oakland Campaign Reform Act, which is set forth in OMC Chapter 3.12; and

WHEREAS, Measure W reduced the contribution limits in the Oakland Campaign Reform Act in OMC sections 3.12.050(A) and 3.12.060(A) to base limits of \$600 and \$1,200, respectively, which, in 2022, were previously \$900 and \$1,800, respectively, following annual adjustments based on increases to the Consumer Price Index (CPI); and

WHEREAS, Measure W also added OMC section 3.12.370, which provides that the City Council “may make any amendments to this Act [the Oakland Campaign Reform Act] that are consistent with its purpose.”; and

WHEREAS, Measure W, which focused on campaign reform, did not amend OMC section 3.12.150, Officeholder Fund, and officeholder fund limits have not been increased since the City Council first passed the Oakland Campaign Reform Act in 1999; and

WHEREAS, the City Council wishes to increase the officeholder fund limits to \$75,000 for District Councilmembers and to \$100,000 for all City-wide offices; and

WHEREAS, the \$75,000 limit for District Councilmembers represents an increase of \$25,000 over what the CPI-adjusted limit would have been if CPI adjustments had been applied and the \$100,000 limit for City-wide offices is slightly lower than what the CPI-adjusted limit would have been if CPI adjustments had been applied; and

WHEREAS, City Charter section 603(h) provides that: “Prior to enacting any amendments to laws that the Commission has the power to enforce, the City Council shall make a finding that the proposed changes further the goals and purposes of the ordinance or program in question and provide specifics substantiating the finding.”; and

WHEREAS, City Charter section 603(h) provides that absent an urgency finding, “amendments to laws that the Commission has the power to enforce [...] shall be submitted to the Commission for review and comment, prior to the passage of the amendments...”; and

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WHEREAS, proposed amendments were presented to the Public Ethics Commission for review and comment and, on or about May 21, 2025, and the Commission considered the matter as a properly noticed agenda item at a special meeting of the Commission; and

WHEREAS, the Commission submitted a letter to the City Council on May 21, 2025, which the City Clerk has preserved as part of the legislative record for this matter, and the Executive Director of the Commission presented their comments at the May 22, 2025, Rules & Legislation Committee; and

WHEREAS, on May 22, 2025, the Rules & Legislation Committee considered the legislation, heard public comment and voted to forward the legislation to the full Council, subject to receipt of the Commission's comments; and

WHEREAS, the Council has considered the comments submitted to legislative record and any oral comments or presentation provided by the Commission or their representatives regarding this matter at the time this matter is heard upon first and, if applicable, second reading; and

WHEREAS, the City Council finds the proposed addition of section 3.12.045 amending the Oakland Campaign Reform Act to temporarily return the candidate contribution limits to the 2022 base limits until the Council funds the Democracy Dollars program as provided by the Fair Elections Act, Oakland Municipal Code, Chapter 3.15, furthers the purposes of the Oakland Campaign Reform Act by ensuring that all candidates have access to adequate financing, particularly those from marginalized backgrounds without access to heavy backing by independent expenditures, and also by ensuring that all candidates have access to adequate financing in forthcoming elections until Democracy Dollars is fully implemented, which is especially important in light of severe cuts to the Limited Public Financing program due to the City's strained budget situation and also because a path to full funding of the Democracy Dollars program has not yet been established and is not yet known; and

WHEREAS, similar to the Limited Public Financing program, which the Council found was appropriate to reinstate in order to bridge a gap in funding for 2024 candidates, the proposed addition of section 3.12.045 is intended to temporarily to bridge the gap in potential funding sources for candidates due to unavailability of the Democracy Dollars Program and the severe cuts to the Limited Public Financing program; and

WHEREAS, by making this Ordinance effective immediately, it allows candidates fundraising between the passage of this Ordinance and June 30, 2029, when section 3.12.045 sunsets, to take advantage of these temporary higher contributions limits subject to the conditions and requirements set forth therein; and

WHEREAS, the proposed addition of section 3.12.045 properly leaves to the Commission the power to oversee the Democracy Dollars Fund such that the Commission may determine, in its discretion, expertise and judgment, which candidate races will be funded and, as long as a minimum potential funding of \$30,000 per certified candidate per covered office exists, the lower limits set forth in 3.12.050(B) and 3.12.060(B) apply; and

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WHEREAS, the proposed addition of section 3.12.045 attempts to maintain uniform general limits as established by Measure W such that for candidates who participate in the Democracy Dollars Program, the temporary higher limits of 3.12.050(A) and 3.12.060(A) apply whenever the Commission projects, that the amount of Democracy Dollars proceeds available for that office will be less than \$30,000 per certified candidate so that, in effect, all candidates for the same office will be subject to the same limits; and

WHEREAS, based on the foregoing and on any comments submitted to legislative record or presented to the Council prior to or at the time this matter is heard upon first and, if applicable, second reading, the City Council finds that the proposed addition of section 3.12.045, which seeks to temporarily increase contribution limits as a stopgap measure due to the lack of Democracy Dollars and Limited Public Financing program funding furthers the purposes identified in OMC section 3.12.030(F), “[t]o ensure that serious candidates are able to raise enough money to communicate their views and positions adequately to the public, thereby promoting public discussion of the important issues involved in political campaigns.” In addition, by allowing candidates to access higher individual contributions, on a temporary basis, to allow them to be more competitive against those candidates with support from independent expenditures, until at least \$30,000 of Democracy Dollars funding is available, the legislation furthers the purpose of 3.12.030 (A), “To ensure that all individuals and interest groups in our City have a fair and equal opportunity to participate in elective and governmental processes.”; and

WHEREAS, based on the foregoing and on any comments submitted to legislative record or presented to the Council prior to or at the time this matter is heard upon first and, if applicable, second reading, the City Council finds that the proposed amendment of section 3.12.150, which seeks to increase officeholder funds for District Councilmembers to \$75,000 and City-wide offices (Mayor, Councilmember At-Large, City Attorney and City Auditor) to \$100,000 are consistent with Measure W and further the purposes identified in OMC section 3.12.030(E), (F) and (G). Increasing the limits on officeholder funds allows elected City officials to spend less time fundraising, which creates more time to focus on the issues of importance to their constituents and the community. In light of severe budget limitations, these increases will enable elected City officials more opportunities to dedicate time and funds to issues and events important to their constituents and the community and will thus foster and promote public discussion of the same. Finally, increasing the officeholder fund limits curbs corruption and the appearance of corruption by encouraging transparent and traceable contributions to elected City officials, which may be used for any political, governmental or other lawful purpose except for campaigns and other prohibited uses as set forth in section 3.12.150(C).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them part of this Ordinance.

SECTION 2. The City Council hereby adopts the addition of Title 3, Municipal Elections, Article III, Chapter 3.12, section 3.12.045 of the Oakland Municipal Code, as set forth below (new section number and heading title indicated in **bold type**):

Item 05 - Proposal to Amend the Oakland Campaign Reform Act

3.12.045. Temporary Contribution Limit Increase for Candidates.

- A. This section shall apply only to a candidate running for City Office that has accepted the voluntary expenditure limits identified in section 3.15.140(A), as adjusted by the increase in the Consumer Price Index under section 3.15.200(A) and who has filed a statement with the Commission on a form approved for such purpose indicating such acceptance.
- B. Effective immediately, the contribution limits to a candidate specified in sections 3.12.050(A) and 3.12.050(B) shall be increased to nine hundred dollars (\$900).
- C. Effective immediately, the contribution limits to a candidate specified in sections 3.12.060(A) and 3.12.060(B) shall be increased to one thousand eight hundred dollars (\$1,800).
- D. Contributions received prior to the effective date of this section, or prior to a candidate accepting the expenditure limits, whichever occurs later, shall be subject to the limits in effect at the time the contribution was made.
- E. If a candidate declines to accept voluntary expenditure limits and receives contributions or makes qualified campaign expenditures equal to fifty percent (50%) or more of the voluntary expenditure limit, or if any person makes one (1) or more independent expenditures totaling more than thirty thousand dollars (\$30,000.00) on a District City Council or School Board Director election, totaling more than fifty thousand dollars (\$50,000) on City Attorney, City Auditor, or At-Large City Council election, or totaling more than one hundred thousand dollars (\$100,000) on a Mayor election, the applicable voluntary expenditure limit shall no longer be binding on any candidate running for the same office.
- F. This section shall not change the contribution limits for officeholder expense funds pursuant to 3.12.150(E). Candidates qualifying for the temporary contribution limit increases set forth in this section may, within one year from the date of their election, redesignate their candidate committee into an officeholder fund, including any funds lawfully raised under the temporary contribution limit increases set forth in this section, so long as the fund balance does not exceed the amount of the total annual contribution limits in Section 3.12.150(A). When such redesignation occurs, existing committee funds shall count against the contribution limits in Section 3.12.150(A). The contribution limits under Section 3.12.150(E) are inapplicable to any existing funds when such redesignation occurs but will apply to subsequent contributions to the officeholder fund.
- G. The increased contribution limits set forth in subsections (B) and (C) above, shall not apply to any City Office for which the Commission projects, pursuant to sections 3.15.070(C) and (E), that the amount of Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Office. The Commission shall set the effective date for when the contribution limits for any such impacted City Office shall revert to the limits

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specified under sections 3.12.050 and 3.12.060. Any reversion shall be prospective only and shall not require a candidate to return any contribution made prior to the reversion which exceeded the limits specified in sections 3.12.050 and 3.12.060.

- H. Beginning in January of 2027 and in January of every odd-numbered year thereafter, the Commission shall increase the contribution limit amounts set forth in subsections (B) and (C) above, by the percent increase, if any, in the Consumer Price Index for the preceding two (2) years, rounding to the nearest fifty dollar (\$50.00) value. The Commission shall use the Consumer Price Index for all Urban Consumers in the San Francisco-Oakland-San Jose, CA metropolitan statistical area, as published by the United States Department of Labor, Bureau of Statistics, or if such an index is discontinued, then the most similar successor index. The Commission shall publish the adjusted contribution limits no later than the 1st of February of the year in which the adjustment occurs.
- I. This section will sunset without further Council action on June 30, 2029. Any contributions received after that date shall be subject to the contribution limits specified in sections 3.12.050 and 3.12.060.

SECTION 3. The City Council hereby adopts the amendment of Title 3, Municipal Elections, Article III, Chapter 3.12, section 3.12.150(A) and Chapter 3.13, sections 3.13.060 and 3.13.265 of the Oakland Municipal Code as set forth below (additions are shown in underline; deletions are shown as strikethrough):

3.12.150 - Officeholder fund.

- A. Every elected City official shall be permitted to establish one (1) officeholder expense fund. All contributions deposited into the officeholder expense fund shall be deemed to be held in trust for expenses associated with holding the office currently held by the elected City official. Contributions to the officeholder fund must be made by a separate check or other separate written instrument. Single contributions may not be divided between the officeholder fund and any other candidate committee. For District Councilmembers, ~~City Auditor and School Board Directors~~ total contributions to an officeholder fund shall not exceed ~~twenty~~ seventy-five thousand dollars (\$~~7525,000.00~~) per year in office. For City-wide offices (Mayor, Councilmember At-Large, City Attorney and City Auditor) Councilmember At-Large and City Attorney, total contributions to an officeholder fund shall not exceed ~~thirtyone hundred~~ thirtyone hundred thousand dollars (\$~~10030,000.00~~) per year in office. For School Board Directors ~~the office of the Mayor~~, total contributions to an officeholder fund shall not exceed twenty-five thousand dollars (\$250,000.00) per year in office.
- B. Expenditures from an officeholder fund may be made for any political, governmental or other lawful purpose, but may not be used for any of the purposes prohibited in Subsections C.1. through 5. of this Section. Such allowable expenditures shall include, but are not limited to, the following categories:

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1. Expenditures for fundraising (including solicitations by mail) for the officeholder expense fund;
2. Expenditures for office equipment, furnishings and office supplies;
3. Expenditures for office rent;
4. Expenditures for salaries of part-time or full-time staff employed by the elected City official for officeholder activities;
5. Expenditures for consulting, research, polling, photographic or similar services except for campaign expenditures for any city, county, regional, State or Federal elective office;
6. Expenditures for conferences, meetings, receptions, and events attended in the performance of government duties by (1) the elected City official; (2) a member of the elected City officials' staff; or (3) such other person designated by the elected City official who is authorized to perform such government duties;
7. Expenditures for travel, including lodging, meals and other related disbursements, incurred in the performance of governmental duties by (1) the elected City official, (2) a member of the elected City officials' staff, (3) such other person designated by the elected City official who is authorized to perform such government duties, or a member of such person's household accompanying the person on such travel;
8. Expenditures for meals and entertainment directly preceding, during or following a governmental or legislative activity;
9. Expenditures for donations to tax-exempt educational institutions or tax exempt charitable, civic or service organizations, including the purchase of tickets to charitable or civic events, where no substantial part of the proceeds will have a material financial effect on the elected officer, any member of his or her immediate family, or his or her committee treasurer;
10. Expenditures for memberships to civic, service or professional organizations, if such membership bears a reasonable relationship to a governmental, legislative or political purpose;
11. Expenditures for an educational course or educational seminar if the course or seminar maintains or improves skills which are employed by the elected City official or a member of the elected City official's staff in the performance of his or her governmental responsibilities;
12. Expenditures for advertisements in programs, books, testimonials, souvenir books, or other publications if the advertisement does not support or oppose the nominations or election of a candidate for City, county, regional, State or Federal elective office;
13. Expenditures for mailing to persons within the City which provide information related to City-sponsored events, school district-sponsored events, an official's governmental duties or an official's position on a particular matter pending before the Council, Mayor, or School Board;
14. Expenditures for expressions of congratulations, appreciation or condolences sent to constituents, employees, governmental officials, or other persons with whom the elected City official communicates in his or her official capacity;

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15. Expenditures for payment of tax liabilities incurred as a result of authorized officeholder expense fund transactions;
 16. Expenditures for accounting, professional and administrative services provided to the officeholder fund;
 17. Expenditures for ballot measures.
- C. Officeholder expense funds shall not be used for the following:
1. Expenditures in connection with a future election for any City, county, regional, State or Federal elective office;
 2. Expenditures for campaign consulting, research, polling, photographic or similar services for election to City, county, regional, State or Federal elective office;
 3. Membership in any athletic, social, fraternal, veteran or religious organization;
 4. Supplemental compensation for employees for performance of an act which would be required or expected of the person in the regular course or hours of his or her duties as a City official;
 5. Any expenditure that would violate the provisions of the California State Political Reform Act, including Government Code Sections 89506 and 89512 through 89519.
- D. No funds may be transferred from the officeholder fund of an elected City official to any other candidate committee.
- E. Annual contributions received by or made to the officeholder fund shall be subject to the contribution limitations of Article III of this Act.
- ~~F. Expenditures made from the officeholder fund shall not be subject to the voluntary expenditure ceilings of Article IV of this Act.~~

3.13.060 - Establishment of public financing program.

A. ~~Subject to an appropriation by the City Council for this purpose, t~~The Public Ethics Commission shall establish and allocate funds for a public financing program, consistent with this chapter, to fund all candidates eligible to receive public financing running for the office of District City Councilmember in the 2024, ~~2026 and 2028~~ general elections.

~~B. The Public Ethics Commission shall allocate a minimum of one hundred fifty five thousand dollars (\$155,000.00) over the 2023—2025 fiscal years from its discretionary funds to the public financing program.~~

~~B.C.~~ Any unspent funds ~~that the Public Ethics Commission~~ allocated for the public financing program pursuant to Subsection ~~BA~~, at the end of ~~the a~~ fiscal year ~~2023—2025 budget cycle~~ shall remain in a fund administered by the Public Ethics Commission ~~fund~~ and accrue for disbursement to candidates eligible for public financing in future elections and for administrative costs.

~~C.D.~~ Up to seven and one-half percent (7.5%) of the amount allocated to the public financing program pursuant to Subsection ~~BA~~, may be utilized by the Public Ethics Commission to cover the anticipated cost of administering the provisions of this Act.

Item 05 - Proposal to Amend the Oakland Campaign Reform Act

3.13.265 - Sunset.

A. This Chapter shall be operative for the 2024, 2026 and 2028 general elections only.

B. Notwithstanding subsection A., this Chapter shall not apply to any City Council District election for which the Commission projects, pursuant to sections 3.15.070(C) and (E), that the amount of Democracy Dollars proceeds available is at least \$30,000 per certified candidate for that City Council District office.

SECTION 4. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 5. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, HOUSTON, KAPLAN, RAMACHANDRAN,
UNGER, WANG AND PRESIDENT JENKINS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

3408880v3/SW

Item 05 - Proposal to Amend the Oakland Campaign Reform Act

NOTICE AND DIGEST

ORDINANCE AMENDING THE OAKLAND CAMPAIGN REFORM ACT (OAKLAND MUNICIPAL CODE TITLE 3, MUNICIPAL ELECTIONS, ARTICLE III, CHAPTER 3.12), TO ADD SECTION 3.12.045 TO TEMPORARILY INCREASE CONTRIBUTION LIMITS FOR CANDIDATES AND TO AMEND SECTION 3.12.150 TO INCREASE OFFICEHOLDER FUND LIMITS AND AMENDING THE LIMITED PUBLIC FINANCING ACT OF 2024 (OAKLAND MUNICIPAL CODE TITLE 3, MUNICIPAL ELECTIONS, ARTICLE III, CHAPTER 3.13), TO AMEND SECTIONS 3.13.060 AND 3.13.265 TO EXTEND THE LIMITED PUBLIC FINANCING ACT TO APPLY TO 2026 AND 2028 GENERAL ELECTIONS

This Ordinance adds section 3.12.045 to the Oakland Campaign Reform Act, Title 3, Article III, Chapter 3.12 of the Oakland Municipal Code, to temporarily increase the contribution limits set for campaign contributions to candidates and returns to CPI-adjusted limits applicable in 2022 of \$900 and \$1800 from persons and broad-based political committees, respectively, for all candidates, unless the availability of Democracy Dollars funding meets a certain minimum standard. This Ordinance amends section 3.12.150 to increase officeholder fund limits for District Councilmembers to \$75,000 and City-wide offices to \$100,000. This Ordinance also amends sections 3.13.060 and 3.13.265 of the Limited Public Financing Act of 2024, Title 3, Article III, Chapter 3.13 of the Oakland Municipal Code to extend the Limited Public Financing Act to apply to 2026 and 2028 general elections.

Item 06 - Proposed Settlement Agreement 24-15

1 TOVAH ACKERMAN
Enforcement Chief
2 CITY OF OAKLAND PUBLIC ETHICS COMMISSION
1 Frank Ogawa Plaza, Rm. 104
3 Oakland, CA 94612
Telephone: (510) 424-3200

4
5 Petitioner

6 BEFORE THE CITY OF OAKLAND

7 PUBLIC ETHICS COMMISSION

8
9 In the Matter of

) Case No.: 24-15

10 VENA SWORD-RATLIFF

)
) **STIPULATION, DECISION AND**
) **ORDER**

11 Respondent.

12 **STIPULATION**

- 13
- 14 1. This Stipulation will be submitted for consideration by the City of Oakland Public
- 15 Ethics Commission (Commission or PEC) at its next regularly scheduled meeting;
- 16 2. This Stipulation shall become effective upon execution by the Commission Chair;
- 17
- 18 3. This Stipulation resolves all factual and legal issues raised in this matter and
- 19 represents the final resolution to this matter without the necessity of holding an
- 20 administrative hearing to determine the liability of Respondent;
- 21 4. Respondent knowingly and voluntarily waives all procedural rights under the
- 22 Oakland City Charter, Oakland Municipal Code, the Public Ethics Commission
- 23 Complaint Procedures, and all other sources of procedural rights applicable to this
- 24 PEC enforcement action. These procedural rights include, but are not limited to, the
- 25 right to personally appear at an administrative hearing held in this matter, to be
- 26 represented by an attorney at their own expense, to confront all witnesses
- 27 testifying at the hearing, to subpoena witnesses to testify at the hearing, and to
- 28 have the matter judicially reviewed.
5. Respondent represents that they have accurately furnished to the Commission all
- discoverable information and documents sought by the Commission that are

Item 06 - Proposed Settlement Agreement 24-15

1 relevant and necessary to the Commission's determination of a fair and
2 comprehensive resolution to this matter.

- 3 6. Upon approval of this Stipulation and full performance of the terms outlined herein,
4 the Commission will take no future action against Respondent regarding the
5 violation(s) of law described in the Exhibit to this Stipulation, and this Stipulation
6 shall constitute the complete resolution of all claims by the Commission against
7 Respondent related to such violation(s).
- 8 7. If Respondent fails to comply with the terms of this Stipulation, then the
9 Commission may reopen this matter and prosecute Respondent to the full extent
10 permitted by law, except that the Statute of Limitations shall be waived for the
11 underlying violation as well as for any other violations that were not discoverable by
12 the Commission due to non-compliance with any of the terms of this Stipulation.
- 13 8. In the event the Commission rejects this Stipulation, and a full evidentiary hearing
14 becomes necessary, neither any member of the Commission, nor the Executive
15 Director or any member of PEC staff, shall be disqualified from that hearing because
16 of prior consideration of this Stipulation.
- 17 9. In the event the Commission refuses to accept this Stipulation, it shall become null
18 and void, and within fifteen business days after the Commission meeting at which
19 the Stipulation is rejected, any payments rendered by the Respondent in connection
20 with this Stipulation will be reimbursed to them.
- 21 10. This Stipulation is not binding on any other law enforcement or regulatory agency
22 and does not preclude the Commission or its staff from referring the matter to,
23 cooperating with, or assisting any other government agency with regard to this
24 matter, or any other matter related to it.
- 25 11. It is further stipulated and agreed that Respondent violated the Oakland
26 Government Ethics Act as described in the Exhibit to this Stipulation.
- 27 12. **The term of this Stipulation shall be for forty-five (45) calendar days, beginning on
28 the date this Stipulation is executed by both parties and terminating forty-five (45)
calendar days thereafter, or until the parties have satisfied all of the requirements
of this Stipulation, whichever is earlier.**

Item 06 - Proposed Settlement Agreement 24-15

- 1 13. During the term of this Stipulation, Respondent shall do the following:
- 2 a. Attend and successfully complete the following training: “Ethics Training
- 3 for Form 700 Filers” (available online via NeoGov);
- 4 b. Ensure the submission of the corresponding completion certificate to the
- 5 PEC (preferred method is via email to ethicscommission@oaklandca.gov);
- 6 and
- 7 c. Pay a \$200 fee.
- 8 14. Respondent acknowledges that a failure to timely complete this requirement may
- 9 be grounds for the unilateral termination of this Stipulation by Commission staff,
- 10 unless the agreement is extended for good cause by Commission staff.
- 11 15. Following completion of Respondent’s obligation(s) under this Stipulation as
- 12 described above, the Commission shall do the following:
- 13 a. Close PEC case # 24-15 with no further action.
- 14 16. In the event the PEC has a reason to believe that there is a basis to extend or
- 15 terminate the agreement, PEC staff shall make reasonable efforts to provide the
- 16 Respondent with an opportunity to be heard through written submission concerning
- 17 the alleged non-compliance. Thereafter, PEC staff shall determine whether to
- 18 unilaterally terminate or extend this Stipulation.
- 19 17. During the term of this Stipulation, Respondent shall notify the PEC, in writing, of any
- 20 change of e-mail address, mailing address, or telephone number within 10 business
- 21 days of the change. Should PEC staff be unable to contact Respondent due to the
- 22 latter’s failure to comply with the terms of this Section, or if Respondent should
- 23 otherwise fail to respond within a reasonable time to PEC staff’s attempts to contact
- 24 Respondent using the contact information which the PEC has on record, PEC staff
- 25 shall be deemed to have made “reasonable efforts” to contact Respondent pursuant
- 26 to the terms of this agreement.
- 27 18. In the event that the Respondent fails to comply with the terms of this Stipulation,
- 28 they agree that all of the facts stated herein shall be deemed true in any subsequent
- evidentiary hearing.

Item 06 - Proposed Settlement Agreement 24-15

19. This Stipulation may not be amended orally. Any amendment or modification to this Stipulation must be in writing duly executed by all parties and approved by the Commission at a regular or special meeting.

20. The parties acknowledge that this Stipulation, Respondent's compliance with this Stipulation, and the disposition of this matter upon completion or termination of the agreement, are matters of public record. Respondent further acknowledges that the Complainant (if any) will be made aware that this matter was resolved through this Stipulation and may be provided with a copy of this Stipulation upon request.

SO AGREED:

May 5, 2025

Date

5/5/25

Date

Tovah Ackerman
Tovah Ackerman (May 5, 2025 09:15 PDT)

Tovah Ackerman, Enforcement Chief of
the City of Oakland Public Ethics
Commission, Petitioner



Vena Sword-Ratliff, Respondent

DECISION AND ORDER

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The foregoing Stipulation of the parties to “In the Matter of Vena Sword-Ratliff” PEC Case No. 24-15 is hereby accepted as the final Decision and Order of the City of Oakland Public Ethics Commission, effective upon execution below by the Chair.

Dated: _____

Francis Upton IV, Chair
City of Oakland Public Ethics Commission

Item 06 - Proposed Settlement Agreement 24-15

EXHIBIT

Case No. 24-15

INTRODUCTION

In May 2024, Public Ethics Commission (PEC) staff received an informal, anonymous complaint to the PEC that raised concerns that Fire Division Manager Vena Sword-Ratliff failed to disclose her son's application for a Community Intervention Specialist (CIS) position in the Oakland Fire Department's (OFD) Mobile Assistance Community Responders of Oakland (MACRO) Program and actively participated in the recruitment and selection process, creating a conflict of interest.

The investigation found that Sword-Ratliff participated in several stages of the recruitment process, including discussions about application screening, interview question development, and final candidate selection. During the interview phase, however, she recused herself from her son's interview panel. Despite recusing herself from his specific interview, Sword-Ratliff's overall involvement in the hiring process put her in a position of influencing that process in ways that could have favored her son's candidacy in a violation of the Government Ethics Act prohibition on nepotism, although the violation was not done knowingly.

Once the City's Human Resources staff became aware of the familial connection, OFD Chief Damon Convington issued a letter rescinding Sword-Ratliff's son's offer of employment, stating that his hiring was in violation of the Oakland Government Ethics Act.

FACTUAL SUMMARY

Vena Sword-Ratliff is a City employee serving as a Fire Division Manager for the Oakland Fire Department (OFD), specifically overseeing the Medical Services Division, which includes the Mobile Assistance Community Responders of Oakland (MACRO) program. Her role involves managing equipment, training, certifications, and other operations critical to medical services provided during 911 calls, in addition to assisting with the recruitment, selection, and hiring process for the Mobile Assistance Community Responders of Oakland (MACRO) Community Intervention Specialist (CIS) personnel. As the Fire Division Manager overseeing the MACRO program, her responsibilities included ensuring that the recruitment process aligned with the program's goals and objectives, particularly its emphasis on lived experiences and community-centered qualifications.

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EXHIBIT

Case No. 24-15

Recruitment and Screening Process for MACRO

The recruitment, selection, and hiring process for the MACRO CIS position involved collaboration between the Oakland Fire Department (OFD) and the City's Human Resources (HR) Department. Key staff on the OFD side included Vena Sword-Ratliff and MACRO Program Manager Elliott Jones.

The recruitment process was extensively promoted across various channels, including media, newspapers, and online platforms, to ensure broad visibility. Applicants were invited to submit applications, which were subsequently reviewed by HR. To qualify, candidates needed to meet minimum requirements that included specific work experience, relevant educational backgrounds, and lived experiences that aligned with MACRO's community-centered goals.

HR conducted the initial screening of applications to ensure candidates met the minimum qualifications (MQs), which resulted in only 37 out of 144 applicants meeting the minimum qualifications (MQs). Recognizing that this limited pool would not meet the program's staffing needs, Sword-Ratliff and her team advocated for an adjustment to the evaluation criteria, incorporating lived experiences alongside traditional qualifications. This strategic shift expanded the pool of interviewees to include a broader and more diverse range of candidates, aligning with MACRO's mission to provide culturally responsive crisis intervention services, and ultimately allowing 65–75% of the applicants to be reconsidered. Candidates such as Brian Mouton, Sword-Ratliff's son, who initially did not advance due to their ranking, were reassessed and eligible for consideration during later stages after HR determined the program could hire additional positions.

HR staff confirmed that the names of the initial 37 applicants were not shared with the OFD team that included Sword-Ratliff, only the number of applicants who passed the MQ's compared with the total number of applicants who applied.

However, during the selection process, Sword-Ratliff was actively involved in decisions along the way. She worked with HR to design interview questions and schedules, ensuring that the evaluation criteria reflected the unique requirements of the MACRO program, and managing recruitment logistics with HR.

Interview and Hiring Process

HR managed the scheduling of interviews and provided OFD with lists of eligible candidates. The initial interview panels were composed of a diverse group, including OFD personnel,

Item 06 - Proposed Settlement Agreement 24-15 EXHIBIT

Case No. 24-15

MACRO supervisory staff, community representatives, and members from other city departments. These panels evaluated candidates based on questions designed to assess lived experience, work experience, and educational background. Candidates were then scored and ranked using standardized rubrics to ensure a fair and unbiased process. Panel recommendations were forwarded to HR for further processing, ensuring that selections aligned with the program's objectives while minimizing bias.

Sword-Ratliff participated in interviews conducted by the “Chiefs panel,” which was responsible for scoring and ranking candidates, ultimately determining who would be offered positions within the program. However, Sword-Ratliff recused herself from her son’s interview panel when it came time for him to interview. Instead, she requested that Deputy Chief Demond Simmons replace her on the interview panel, and she did not share her relationship with her son with any panelists other than Jones and Simmons, intending to avoid any perception of bias.

Following the interview, selected candidates received conditional offers contingent upon the successful completion of background checks, live scans, and fingerprinting. After all background reviews and reference verifications were finalized, candidates, including Sword-Ratliff’s son, Brian Mouton, were extended final offers to join the MACRO team.

PEC Staff Interview of Sword-Ratliff

In an interview with PEC Staff, Vena Sword-Ratliff admitted knowing about her son’s application for the MACRO position throughout the process. She stated that she mentioned that her son had applied to HR representative Sonia Lara and to the department chief, Damon Covington. However, she did not document the relationship in writing (and neither Lara nor Chief Covington later recalled the conversation). She explained her actions by stating that she believed her informal verbal disclosure was sufficient.

Sword-Ratliff admitted that her understanding of the nepotism policy was incomplete. She believed her obligation was limited to recusing herself from her son’s specific interview panel and notifying HR informally of his application. She did not understand the requirement to avoid all involvement in the hiring process entirely, stating “My true understanding was that when he goes through the interview, I can’t be on his panel... That was my mindset from the very beginning.”

Sword-Ratliff formally disclosed her relationship to HR only after her son received a conditional offer of employment. Upon learning this, the HR Personnel Officer, Sonia Lara,

Item 06 - Proposed Settlement Agreement 24-15

EXHIBIT

Case No. 24-15

explained to Sword-Ratliff that her actions could be perceived as nepotism, since she had indirect influence over her son's role, including decisions about raises, assignments, and other job-related matters. In response, Sword-Ratliff said she understood that she could not supervise her son.

Sword-Ratliff further explained in her interview that “[t]he chief told me... you can't have your hand in it at all... down to making up the questions, the schedule, or talking with employee relations.” Sword-Ratliff added that she came to fully understand the implications of her actions. Reflecting on the situation, she admitted, “I get it. I *understand* the optics, I truly do... I can see where it could be wrong. I see that ultimately that's not my thought process, but I do see how it looks.” She acknowledged that, had she known that her involvement in the hiring process created the perception of nepotism and could be in violation of the law, “[t]here's no way I would have moved forward on this... I would have emphasized it and blared it out there from the very beginning and recused myself” from the process.

Ethics Training and HR Process

When asked if she had ever received ethics training, Sword-Ratliff said she recalled taking an ethics training, likely in mid-2020, but did not remember the exact details of the training. PEC Ethics Analyst Jelani Killings confirmed that she had received the 10-minute Ethics Introductory training upon orientation but that there is no record of her receiving the City's PEC-created Ethics Training Course for Form 700 Filers, which is required of all Form 700 filers. Sword-Ratliff's position is required to file a Form 700; thus, she is required to take the longer Form 700 training.

For further context, HR Personnel Officer for OFD Sonia Lara told PEC staff that, had she known of Sword-Ratliff's son's application, she would have frozen the process immediately. Lara further explained that there is no written policy, formal guidelines, or training within OFD regarding how to handle nepotism, but that department heads and hiring managers were expected to disclose potential conflicts of interest. In her 22 years with the city, Lara always relied on verbal disclosure from employees regarding relationships with applicants.

Employment Offer to Mouton Rescinded

Once the details of Vena Sword-Ratliff's relationship to applicant Brian Mouton became clear to HR, OFD, and the City Attorney's office, Fire Chief Damon Covington issued a letter

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Case No. 24-15

on June 5, 2024, rescinding Brian Mouton's job offer for the CIS position, stating that they were taking such action because his hiring "violates the City's Government Ethics Act."

SUMMARY OF LAW AND LEGAL ANALYSIS

Prohibition on Nepotism

The City of Oakland Government Ethics Act prohibition on nepotism provision states that a Public Servant may not make, participate in making or otherwise seek to influence a decision of the City regarding an employment or contract action involving a Relative. Nothing in this Section shall prohibit a Public Servant from acting as a personal reference or providing a letter of reference for a Relative who is seeking appointment to a position in any City department, board, or commission other than the officer or employee's department, board, or commission or under the department, board or commission's control. (OMC Section § 2.25.070 (D).)

"Relative" means any person who is related within the third degree by blood, marriage, or contract, and includes a spouse, domestic partner, parent grandparent, child, sibling parent-in-law, aunt, uncle, niece, nephew, first cousin, and any similar step relationship or similar relationship created by adoption. (OMC Section 2.25.030(E).)

In addition, a Public Servant may not supervise another Public Servant who is also a Relative. (OMC Section § 2.25.070 (D)(2).) This prohibition applies to the regular assignment for each Public Servant's position and does not apply to temporary assignments such as working an overtime or traded shift or substituting for a fellow employee.

VIOLATIONS

Count 1: Prohibition Against Nepotism

Here, Vena Sword-Ratliff made, participated in making, and sought to influence selection process decisions, including designing interview questions, identifying program needs and criteria to include in initial screenings, and particularly her involvement in changing the initial screening criteria to expand the pool of applicants who pass the initial screening process to include lived experience. Her continuous decision-making and influence helped shift the results of the initial screening and allowed her son's application to progress to the next stage

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in the selection process, regardless of whether she intended for this change to affect her son's application status. Because her son's application was moving through the process alongside the others, all of Sword-Ratliff's influence and decisions that she made regarding recruitment, selection, and hiring into CIS positions was in violation of the nepotism provision of Government Ethics Act.

AVAILABLE PENALTIES

The Government Ethics Act authorizes the PEC to impose administrative penalties of up to \$5,000 per violation, or three times the amount unlawfully expended. In addition to the ability to impose monetary penalties, the PEC may issue warnings or require other remedial measures. One of the remedial measures included in the Penalty Guidelines is a diversion agreement, which is an enforcement resolution consisting of a settlement agreement in which the respondent waives their right to a hearing, pays a fee, and must meet certain requirements that further the PEC's goals, such as training or full compliance for a specified period of time.

The PEC will consider all relevant mitigating and aggravating circumstances surrounding a violation when deciding on the type of resolution and penalty to impose, including, but not limited to, the following factors:

1. The seriousness of the violation, including, but not limited to, the extent of the public impact or harm;
2. The presence or absence of any intention to conceal, deceive, or mislead;
3. Whether the violation was deliberate, negligent, or inadvertent;
4. Whether the violation was isolated or part of a pattern;
5. Whether the respondent has a prior record of violations and/or demonstrated knowledge of the rule or requirement at issue;
6. The extent to which the respondent voluntarily and quickly took the steps necessary to cure the violation (either independently or after contact from the PEC);
7. The degree to which the respondent cooperated with the PEC's enforcement activity in a timely manner;
8. The relative experience of the respondent; and
9. The respondent's ability to pay the contemplated penalty without suffering undue financial hardship. This factor shall not apply to the portion of a penalty that

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constitutes a repayment or disgorgement of the unlawful amount, except in cases of extreme financial hardship.

The PEC has broad discretion in evaluating a violation and determining the appropriate penalty based on the totality of circumstances. This list of factors to consider is not an exhaustive list, but rather a sampling of factors that could be considered. There is no requirement or intention that each factor – or any specific number of factors - be present in an enforcement action when determining a penalty.

In this matter, Vena Sword-Ratliff seemed genuinely surprised to hear that she should not have been involved in any of the recruitment and selection process and believed that, by staying off of the panel that conducted her son’s interview, she avoided any conflict of interest on her part. She seemed to later understand the importance of staying out of the process entirely and was remorseful that she did not put her recusal in writing and make it more obvious to those around here, including HR staff. On the contrary, she said she only told a few people in order to ensure that no one gives her son special treatment during the application process. Sword-Ratliff had not received the PEC’s Ethics Training for Form 700 filers, even though she is in a designated position and should have been prompted to receive the training.

While nepotism is a rather serious violation, all of the other factors weigh more heavily on the side of mitigating evidence, as follows:

	Factor	Mitigating	Aggravating
1	Seriousness of the violation		Moderately serious: respondent recused from interviewing her son but was involved in other aspects of hiring; harm was mitigated by the rescinding of her son’s employment offer
2	Intention to conceal, deceive, or mislead	No evidence of intent to conceal; evidence of attempt to comply with ethics rules	
3	Deliberate, negligent or inadvertent	Negligent or inadvertent	
4	Isolated or a pattern	Isolated	

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5	Prior record or demonstrated knowledge of the rule	No	
6	Took steps to cure violation	No, but attempted to avoid a conflict by recusing herself from interviewing her son; HR and OFD Chief rescinded the offer of employment to her son	
7	Cooperated with PEC's Enforcement efforts	Yes, gave voluntary and very candid interview and showed remorse and understanding of the optics	
8	Respondent's experience	Five years with the City, but no ethics training	
9	Ability to pay fine	City employee	

Further, HR staff and the OFD Chief took action soon after hearing of the violation and subsequently rescinded the job offer to the respondent's son, Brian Mouton, thereby helping to cure the violation with no benefit ultimately resulting from her actions.

In light of the above factors, a monetary penalty at the baseline amount of \$3,000, or even any monetary fine, seems unfair, particularly in light of the fact that her son's job offer was rescinded as a result of the respondent's involvement. There is no evidence that her actions were a deliberate attempt to help her son; as the program manager leading the recruitment, she had an interest in ensuring the candidate pool was plentiful and could arguably have made those decisions to expand the pool for her own program's overall benefit. Further, the respondent's violation of the nepotism prohibition was unknowing and she expressed remorse at not doing more to make her recusal more obvious so that those around her could have instructed her not to be involved from the start, as she clearly did not know that the law extended to all parts of the process. She recused herself from her son's panel, showing regard for avoiding a conflict of interest, at least for the more obvious issue that she knew to be cognizant of. Lastly, the respondent was cooperative with the PEC's investigator and spoke candidly throughout her interview about what happened and how she responded.

For all of these reasons, PEC Staff recommends resolving this matter through a Diversion agreement, specifically requiring that the respondent take the full Ethics Training for Form

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Case No. 24-15

700 Filers within forty-five (45) days of signing the stipulation and pay a \$200 fee. The \$200 fee is for administrative costs to implement the diversion program, including PEC staff's administration in ensuring the training is completed.

Item 07 - Enforcement Report - May 2025



Francis Upton IV, Chair
Tanya Bayeva, Vice Chair
Alea Gage
Ryan Micik
Vincent Steele
Karun Tilak

Nicolas Heidorn, Executive Director

TO: Public Ethics Commission
FROM: TOVAH ACKERMAN, Enforcement Chief
DATE: May 9, 2025
RE: Enforcement Program Report for the May 21, 2025, PEC Meeting

Since the last Enforcement Unit Program Update submitted to the Commission on March 6, 2025, Commission staff received six (6) formal (sworn) complaints and nine (9) informal (unsworn) complaints, and initiated two (2) proactive (staff-generated) complaints.

In the same period of time, Commission staff:

- rejected fifteen (15) informal complaints without assigning them a complaint number;
- completed intake review for four (4) informal complaints and assigned them a complaint number;
- dismissed eleven (10) formal complaints without opening an investigation;
- submitted one (1) proposed settlement agreement(s) to the Commission;
- closed nineteen (19) Commission-approved 2023 Form 700 non-filer complaints at the last Commission meeting;
- closed seven (7) streamlined 2023 Form 700 non-filer complaints under Executive Director approval;

In all, since the last Program Update, a total of fifty-seven (56) complaints or cases have been resolved or have been submitted to the Commission for resolution (including 2024 Form 700 closures), by way of dismissal, closure, or settlement, since the last Commission meeting.

The following complaints or cases have been resolved or submitted to the Commission:

1. **Case Closure Recommendation: In the Matter of Committee for Better Choices, No on Measures AA, W and Y; Homeowners for Fair Treatment, No on Measures W and Y; Shawnda Deane (treasurer); East Bay Rental Housing Association (PEC # 18-44).**

This formal Complaint was referred to the FPPC by former-Chief Russell, who kept the case open while the FPPC investigated. The allegation was that a ballot measure committee variously calling itself “Oakland For Better Choices, NO on AA, W and Y campaign” and “Oakland For Fair Treatment, No on Measures W and Y” had sent out a series of blast email text messages that failed to include proper sender ID. On December 18, 2023, the FPPC closed the case citing “insufficient evidence” after investigation. The FPPC applied the same law and burden of proof as the PEC would have had we conducted the investigation and analysis ourselves, therefore PEC staff dismissed for insufficient evidence of a violation.

2. **In the Matter of the Oakland Planning and Building Department (PEC #20-24).** Complainant submitted mediation request in October 2019. The mediation began that same month and closed satisfactorily in March 2020. On August 14, 2025, PEC staff confirmed that the Complainant agreed to case dismissal. Dismissed because the complaint was resolved through mediation.
3. **In the Matter of Ryan Richardson and Asha Clarke (PEC #25-02).** The allegation in this Complaint was that the addition by City Attorney Richardson of the “(sales)” parenthetical in Measure A’s ballot label, which describes Measure A as “enacting a half-cent (.5%) transaction (**sales**) and use tax for 10 years,” is an “unethical misrepresentation.” The Enforcement Unit dismissed the Complaint in its entirety because the allegations in the Complaint, if true, do not constitute a violation of law within the Commission’s enforcement jurisdiction.
4. **In the Matter of Unknown Respondent (PEC #25-04).** Summarily dismissed with no action. Complaint stated that a private energy company called Dynergy switched out communication lines and IP addresses, installed a heat pump that “infused the walls and air with HCL and other toxins,” and hacked citizens’ financial accounts. Enforcement Staff dismissed the complaint as outside of PEC jurisdiction. Complainant was provided with a list of referrals, including phone numbers for those departments and organizations.
5. **In the Matter of Charlene Wang (PEC #25-07).** Summarily dismissed with no action. Complaint was informal referral from the FPPC regarding an over-the-limit contribution of \$800. Respondent had already returned the over-the-limit campaign contribution to the original donor prior to the election and prior to first PEC contact. Respondent cooperated with all PEC requests for documentation.

6. **In the Matter of Ryan Richardson (PEC #25-11).** Summarily dismissed as being duplicative of PEC # 25-02 which contained insufficient evidence of a violation within the jurisdiction of the PEC.
7. **In the Matter of Parking Officer “GD”/Unknown (PEC #25-12).** Complaint alleged misconduct by a parking officer. Dismissed for insufficient evidence of a violation within the jurisdiction of the PEC. Complainant was referred to Oakland’s website to contest parking tickets, 311, and OakDot.
8. **In the matter of Terrell Picot (PEC #25-13).** Complaint alleged that a Planning and Building Department employee had incorrectly performed their job, but did not allege any ethical violations by the employee. Dismissed for insufficient evidence of a violation within the jurisdiction of the PEC. Complaint referred to the Director of the Planning and Building Department.
9. **In the Matter of G. Abea, L. Mai and Public Works (PEC #25-14).** Complaint alleged that Public Works employees and Police Department employees had incorrectly performed their jobs, but did not allege any ethical violations by the employee. Dismissed for insufficient evidence of a violation within the jurisdiction of the PEC. Complaint referred to the Office of Public Works and Complainant also referred to CPRA and Oakland Police Internal Affairs.
10. **In the Matter of Park Gas and Food (PEC #25-16).** Complaint alleged misconduct by a privately owned gas station. Dismissed for insufficient evidence of a violation within the jurisdiction of the PEC. Complainant referred to Office of Public Works, 311, and BART.

This brings the total Enforcement caseload to one hundred and fifty-two (153) open complaints or cases, including nine (9) 2023 Annual Form 700 non-filer proactive complaints in the “investigation” and “seeking settlement” phases. The total number of open complaints includes:

- Seventy (72) cases in the Intake or Preliminary Review stage;
- Twenty-seven (27) cases under investigation;
- Four (4) cases under post-investigation legal analysis;
- Fourteen (14) cases in which Enforcement staff is seeking a negotiated settlement;
- Three (3) cases pending an administrative hearing;

- And thirty-three (33) cases on hold.

Below is a breakdown of total complaints open (informal, formal, and proactive), the number of complaints received in 2025, the number of complaints resolved in 2025, and the resulting net change of complaints in 2025.

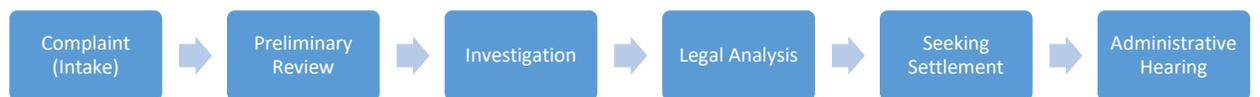
The table indicates that we have closed more cases than we have received in 2025 to date, however almost half of the cases closed were 2023 Form 700 non-filer complaints.

	Current Active Complaints	Complaints Received in 2025	Complaints Resolved in 2025	Net Change in Number of Complaints in 2025
All Complaint Types	153	39	59	-20
Formal Complaints	47	8	11	-3
Informal Complaints (Includes Intake Unknown)	64	28	17	11
Proactive Complaints	42	3	31	-28

The Enforcement Unit has one hundred and twenty (120) open complaints initiated prior to June 1, 2024, and thirty-two (32) open complaints after June 1, 2024. (These numbers are relevant to the “Enforcement Report re: Complaint Backlog Strategy” to be discussed separately.)

Enforcement’s current staffing is: one (1) Enforcement Chief and one (1) permanent full-time Investigator.

Overview of the Enforcement Process



The PEC’s Enforcement Unit investigates and, where appropriate, administratively prosecutes alleged violations of the City’s ethics, campaign finance, lobbying, and related laws. Violations can result in the issuance of a monetary fine, a warning letter, or some other remedy to ensure

compliance with the law (e.g. a diversion agreement or injunction). Some violations can also be referred to the District Attorney for criminal prosecution.

Enforcement matters begin with a complaint. “Formal” complaints are submitted on the PEC’s official complaint form and are signed under penalty of perjury. “Informal” complaints are received in any other manner (e.g. via e-mail, a phone call, etc.) and are not signed under penalty of perjury. By law, the Enforcement Unit must review all formal complaints and report to the Commission at one of its public meetings whether or not it has decided to open an investigation into a formal complaint. By contrast, Enforcement has the discretion not to review an informal complaint and does not have to report rejected informal complaints to the Commission. Commission staff may also initiate its own “pro-active” complaints.

Complaints do not automatically trigger an investigation. Instead, they enter what is called “Preliminary Review,” in which Enforcement determines whether there are sufficient legal and evidentiary grounds to open an investigation. This can involve some preliminary fact-finding, usually for purposes of verifying or supplementing the facts alleged in the complaint.

At the completion of Preliminary Review, the Enforcement Chief and the PEC Executive Director jointly decide whether to open an investigation or dismiss the complaint. All dismissals are reported to the Commission at one of its public meetings. Investigations are confidential, though complainants and respondents (the people being investigated) are usually notified that an investigation has been opened. Enforcement will usually confirm the existence of an investigation if asked, but it will not share any of its findings or analysis until it is ready to present them to the Commission or a court.

The Enforcement Chief and the PEC Executive Director jointly decide whether the evidence gathered during an investigation merits prosecution or closure of the case. This internal decision-making process is referred to as “Legal Analysis” in Enforcement’s case processing workflow. Investigative activity may also continue during this process. If Enforcement recommends closure of a case at this stage, it must present its findings to the Commission at one of its public meetings and obtain a majority vote in favor of closure.

If Enforcement chooses to prosecute a violation, it will usually try to work out a joint settlement agreement with the respondent(s). Settlement negotiations are confidential, and for administrative purposes Enforcement classifies matters at this stage as “Seeking Settlement.” Investigative activity may also continue during this process. All proposed settlement agreements must be presented to the Commission at one of its public meetings and require a majority vote for their approval.

If Enforcement is unable to settle a case within a reasonable time (typically sixty days) or otherwise decides that a hearing is necessary, it will file an Investigation Summary with the Commission at one of its public meetings. This document, also known as a “probable cause report,” lays out the allegations that Enforcement wishes to prosecute, as well as supporting evidence. A majority of the Commission must vote to find probable cause and send the matter to an administrative hearing.

Matters at this stage are classified as “Administrative Hearing” in Enforcement’s internal workflow. The Executive Director and the hearing officer will arrange the logistical and procedural details of the hearing. All administrative hearings are open to the public, and are conducted either by the full Commission, a panel of Commissioners, a single Commissioner, a single hearing officer not from the Commission, or an administrative law judge.

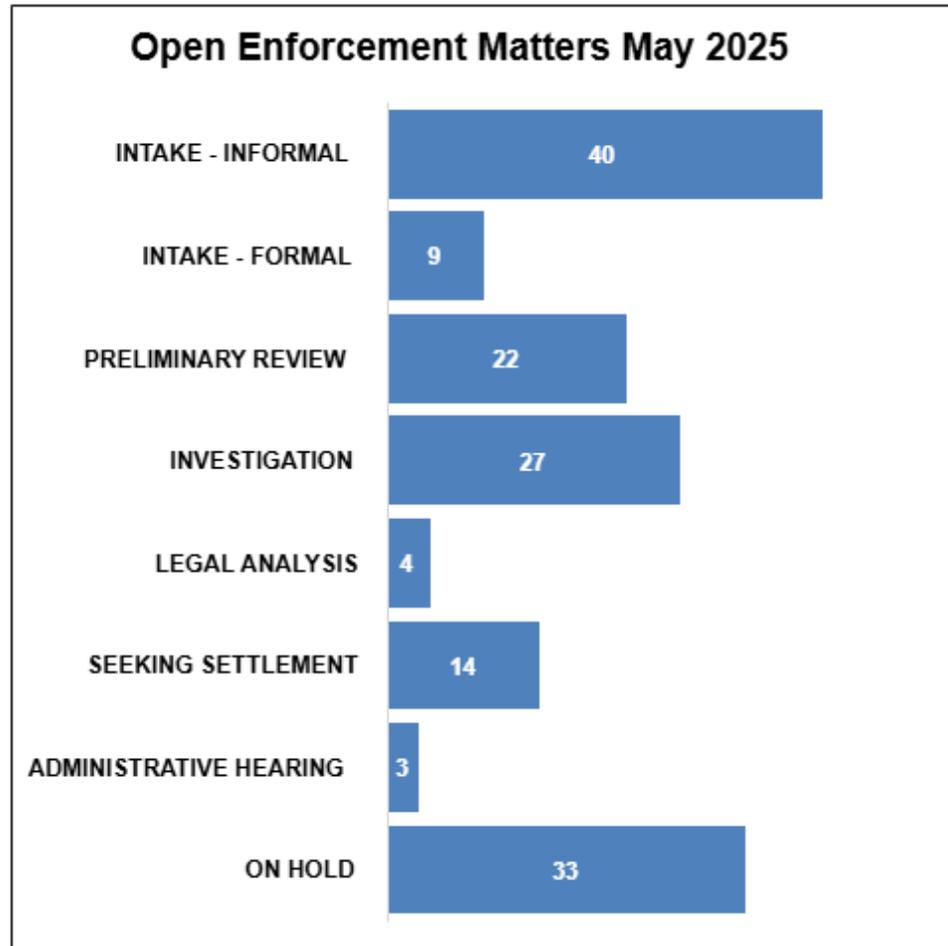
After an administrative hearing, the hearing officer(s) will issue their factual findings and proposed penalty (if any). The full Commission will then vote at one of its public meetings whether to adopt those findings and impose the recommended penalty. The Commission may impose a penalty different from the one recommended by the hearing officer(s).

The Enforcement Unit’s full Complaint Procedures and Penalty Guidelines can be found on our website.

Appendix:

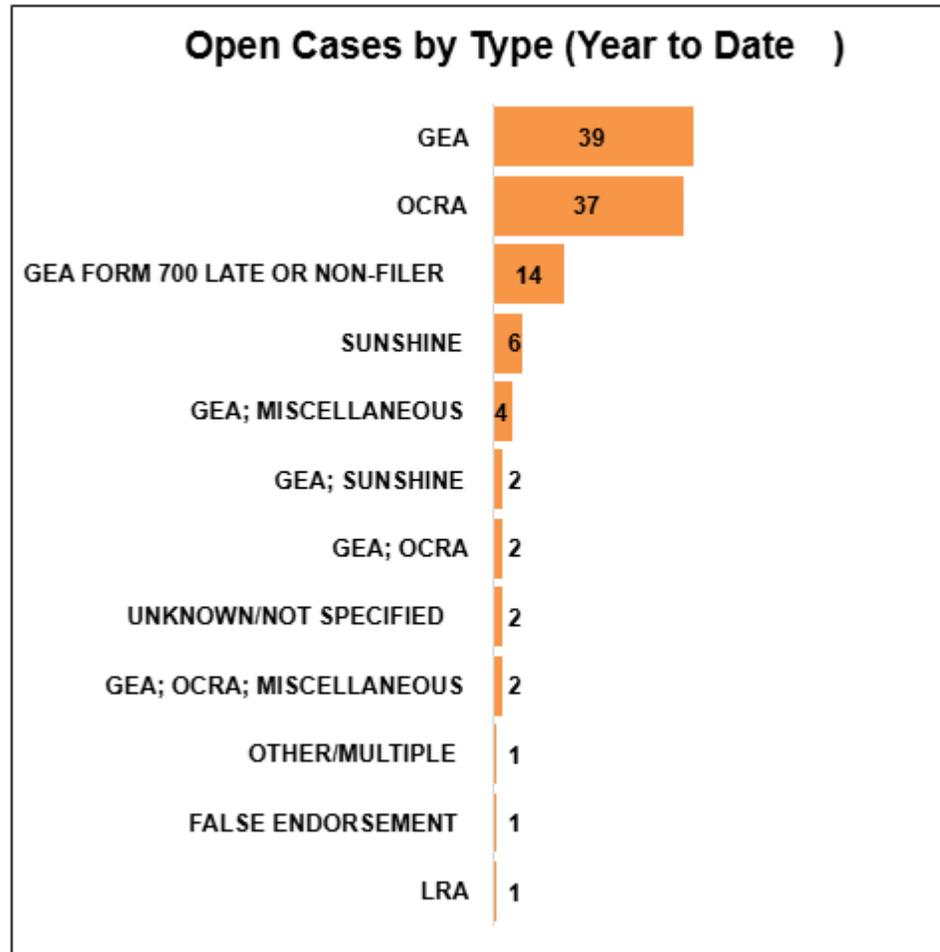
Current Caseload by Status

The table below breaks down all open enforcement matters by their stage of investigation, including Form 700 non-filer cases.



Open Cases by Type (Year to Date)

The graph below breaks down all open cases by type of complaint with 2024 Unfiled Form 700 cases pulled out of the total number of GEA cases.





Item 08 -Executive Director's Report - May 2025

Francis Upton IV, Chair
Tanya Bayeva, Vice Chair
Alea Gage
Ryan Micik
Vincent Steele
Karun Tilak

Nicolas Heidorn, Executive Director

TO: Public Ethics Commission
FROM: Nicolas Heidorn, Executive Director
DATE: May 7, 2025
RE: Executive Director's Report for the May 21, 2025, Regular PEC Meeting

This memorandum provides an overview of some of the Public Ethics Commission's (PEC's or Commission's) most significant activities since the last ED report and significant upcoming activities which were not included in other program reports, including a discussion of staffing, budget, and policy initiatives.

Executive Director Search

In April 2025, Executive Director Heidorn announced he would be stepping down from the Commission, effective July 7, 2025. On April 28, the Commission opened up its recruitment for a new Executive Director. Applications are being accepted [now through June 2](#).

The selection of the PEC's Executive Director is governed by Section 603(g)(4) of the City Charter, which provides (emphasis added):

The Executive Director shall serve at the pleasure of the Commission. By an affirmative vote of at least four (4) members, the Commission may terminate the Executive Director. ***Upon a vacancy, the Commission shall conduct a search for the Executive Director with staff assistance provided by the City Administrator. Upon completion of the search and its vetting of applicants, the Commission shall select two or three finalists and forward the selections to the City Administrator, who shall select one as the Executive Director.*** The City Administrator shall not have the authority to remove the Executive Director. The Commission shall periodically conduct a performance review of the Executive Director.

PEC Staff have taken the following actions to publicize the job recruitment:

- Posted the opportunity to the PEC's website and social media accounts and shared the opportunity by email to the PEC's listserv;
- Shared the posting with key partners and stakeholders, including the executive directors of other local ethics commissions, good government organizations, and former PEC staff;
- Posted to the jobs boards of, or purchased ads with, the following organizations/platforms: Council on Governmental Ethics Laws (COGEL), American Bar Association, California Lawyer's Association, Alameda County Bar Association, San Francisco Bar Association, California District Attorneys Association, Daybook, Morning Report, and LinkedIn; and

- Shared the posting with the following additional bar associations: Minority Bar Coalition of the SF Bay Area, Filipino Bar Association of Northern California, South Asian Bar Association of Northern California, Black Women Lawyer's Association of Northern California, California Association of Black Lawyers, Asian American Bar Association of the Greater Bay Area, East Bay La Raza Lawyer's Association, and Bay Area Lawyers for Individual Freedom.

Commissioners and members of the public are encouraged to widely share this job posting to encourage a broad, diverse, and talented pool of applicants.

Following prior practice, Chair Upton has established an Executive Director Recruitment Subcommittee, consisting of himself (Chair), Commissioner Micik, and Commissioner Bayeva, to do a first review of all the applications that are received and forward the most qualified applicants to the full Commission for review in closed session at a future meeting. Pursuant to the Charter, the Commission shall select two to three finalists and forward them to the City Administrator for selection of the next Executive Director.

Proposed FY25-27 Budget

According to a February 20, 2024, report by the Department of Finance, the City is facing approximately a \$140 million ongoing structural deficit. As part of the City's budgetary process, each Department, including the PEC, was given a budget target to assist the City in closing this deficit. On May 5, 2025, Interim Mayor Jenkins released his Proposed FY25-27 Budget. The budget proposes significant reductions, including eliminating more than 400 mostly vacant positions.

As with the FY 23-25 Budget, the Proposed FY25-27 Budget includes significant reductions to the spending and staffing minimums generally required by Measure W (2022) and the City Charter but the proposed budget does include some important improvements over the prior budget for the PEC, particularly to strengthen the Commission's Enforcement Unit.

Proposed Budget highlights include:

- **No cuts to GPF-funded staff positions.** All currently budgeted staff positions are retained. However, the PEC's Democracy Dollars Outreach Specialist position, which was funded with a Haas Jr. grant, was not included in the budget. This position will sunset after July 1, although some extension using remaining grant funds may be possible. The budget does provide for the addition of an Ethics Analyst II in the last 6 months of FY26-27, which could be used to provide similar outreach if the PEC is implementing Democracy Dollars in 2028.
- **Adds a second Investigator and a part-time law clerk** to support the Enforcement Unit. With these additions, Enforcement Unit staffing will increase from 2 full-time equivalent (FTE) positions to 3.1 FTE. The Budget also includes a \$20,000 increase to O&M, which Commission Staff intends to use for additional contract support for the Enforcement Unit and incoming Executive Director. These are important and timely additions to support the Commission's critically understaffed Enforcement Unit; however, this staffing level still falls below the 5 FTE minimum (1 Enforcement Chief, 3 Investigators, and 1 Staff Attorney)

that the PEC estimates is necessary to address its incoming caseload and make significant progress on its complaint backlog.

- **Replaces the Administrative Assistant II position with an Ethics Analyst I position.** This higher-level staff position will provide greater support for the Commission's compliance activities, freeing up additional staff capacity in the enforcement and regulatory programs to conduct investigations or provide greater client support.
- **Cuts most mandated Democracy Dollars Program funding.** Under Measure W, each budget cycle, the City is required to fund \$4 million in Democracy Dollars vouchers, \$350,000 for administrative costs, and four staff positions to implement the Program. These minimums may be suspended with the declaration of an "extreme fiscal necessity," which occurred last budget cycle. This Proposed Budget would again declare the existence of an extreme fiscal necessity and eliminate all funding for Democracy Dollars vouchers and administrative funding, which will necessarily postpone implementation of Democracy Dollars to 2028 at the earliest.
- **Does not include Limited Public Financing (LPF) funding.** Last cycle, the Council budgeted \$155,000 over two years to restore the LPF for the 2024 cycle, after the Democracy Dollars Program was postponed. The LPF Program expired after 2024 and this budget does not continue that funding. As a result, if Democracy Dollars is again postponed and the LPF is not restored, 2026 will be the first election in more than two decades without any public financing in Oakland, despite Oaklanders voting to strengthen public financing with Measure W.

Chair Upton and PEC Staff will engage with the City Council to support the enhancements proposed in this budget and to seek additional amendments, consistent with the Commission's previously-articulated budget priorities, to: 1. maintain existing staffing; 2. bring Enforcement Unit staffing to 3 Investigators and 1 staff attorney; and 3. reinstate and fund the LPF Program for 2026.

The FY 25-27 Budget must be adopted by July 1, 2025.

New Office Location

For the past year, Commission staff has been seeking new office space to accommodate the growth in PEC programs. In particular, the PEC needs additional space to meet its Charter-mandated minimum staffing needs, to provide space for temporary staff such as law clerks and management interns, and longer-term to provide sufficient space to process the tens of thousands of vouchers that the Commission will receive once the Democracy Dollars Program is implemented.

In April, the Commission received approval from the City Administrator to move all its staff into a new suite at 250 Frank Ogawa Plaza, across from City Hall, which better meets the Commission's operational needs now and into the future. The new suite will enable the Commission to have all PEC staff work in one location and provides sufficient floor space to accommodate staff growth and Democracy Dollars logistics needs. The new location will also provide greater confidentiality for the PEC's Enforcement Unit and security for PEC files. The exact timing of the move is still in

flux. However, Staff will likely complete the move over the summer months. Once the final move date is fixed, Staff will announce the new location broadly and notify interested parties, such as filers, vendors, and contacts, directly.

Staff thanks City Administrator Jestin D. Johnson and his staff for their assistance securing the PEC's new home and their ongoing support throughout the move.

Measure W Updates

Administrative Processes and Technology – In May, Staff concluded negotiations with vendor MapLight to design, build and implement the Democracy Dollars software platform. The completed contract and supporting documentation now go to the City Administrator for final approval.

General Outreach and Community Engagement – Staff continued to initiate informal meetings with stakeholders to introduce the Democracy Dollars Program and identify potential partnerships to provide input and increase our reach to residents with historically lower rates of voter and donor participation. On April 21, Commission staff debuted an interactive presentation to introduce Democracy Dollars before the Youth Commission. The presentation is designed to encourage dialogue, build on-going relationships with stakeholder groups, and collect input regularly via a post-presentation questionnaire. An analysis and summaries of input gathered from these presentations and the questionnaire will be shared at future meetings as we collect more data and included with in the Commission's outreach plan. Upcoming presentations include the Mayor's Commission on Persons with Disabilities (MCPD) on May 19, and the Oakland Chinatown Coalition on May 21.

Executive Director Transition

ED Heidorn will be stepping down from the Commission on July 7, 2025. If a new Executive Director is not selected and in place by that time, Interim Program Manager Suzanne Doran will be made Acting Executive Director until a permanent Executive Director is appointed.

In his remaining two months, Director Heidorn will be focusing on engaging with the City's budget process; assisting in the ED recruitment process; initiating or completing staff hiring, including for the permanent Program Manager position; creating a transition memo and training materials and guides for the new Executive Director; finalizing a revenue-generating ballot measure, following Commission guidance; and adopting work plans for employees.

Major commission administrative priorities through the end of this year, which a new Executive Director or Acting Director Doran will have to complete, include:

- Migrating the PEC's current website to the City's new website platform;
- Completing the PEC's office transition from City Hall to 250 Frank H Ogawa Plaza;
- Permanently filling several PEC positions and potentially recruiting and hiring for new positions, depending on the adopted budget;

- Working with the Administration to adopt several service contracts, especially supporting the Enforcement Program, and finalizing the MapLight contract;
- Coordinating with councilmembers and stakeholders on a revenue ballot measure, should the Commission choose to pursue this option;
- Recruiting and filling two Commission-appointed seats to the Commission by the end of the year; and
- Scheduling and organizing a strategic planning retreat.

Disclosure and Regulatory Program Updates

Additional program updates relating to the Commission's disclosure and regulatory activities is attached to this report.

Additional Attachment: Disclosure Program Report

Item 08 -Executive Director's Report - May 2025



Francis Upton IV, Chair
Tanya Bayeva, Vice Chair
Ryan Micik
Alea Gage
Vincent Steele
Karun Tilak

Nicolas Heidorn, Executive Director

TO: City of Oakland, Public Ethics Commission
FROM: Alex Van Buskirk, Lead Analyst, Compliance and Disclosure
Jelani Killings, Lead Analyst, Education and Engagement
DATE: May 8, 2025
RE: Disclosure and Engagement Monthly Report for the May 21, 2025,
Public Ethics Commission Meeting

This memorandum provides a summary of major accomplishments in the Public Ethics Commission's (PEC or Commission) Disclosure and Engagement program activities since the last regular meeting. Commission Staff disclosure activities focus on improving online tools for public access to local campaign finance and other disclosure data, enhancing compliance with disclosure rules, and conducting data analysis for Public Ethics Commission projects and programs as required. Engagement activities include training and resources provided to the regulated community, as well as general outreach to Oakland residents to raise awareness of the Commission's role and services and to provide opportunities for dialogue between the Commission and community members.

Compliance with Disclosure Requirements (Includes April 15, 2025 Special Election Spending Analysis)

Commission Staff conducts filing officer duties as required by state and local law and aims to help candidates, lobbyists and City officials submit required disclosure reports and ensure residents can easily access campaign finance, lobbyist, and ethics-related data and information.

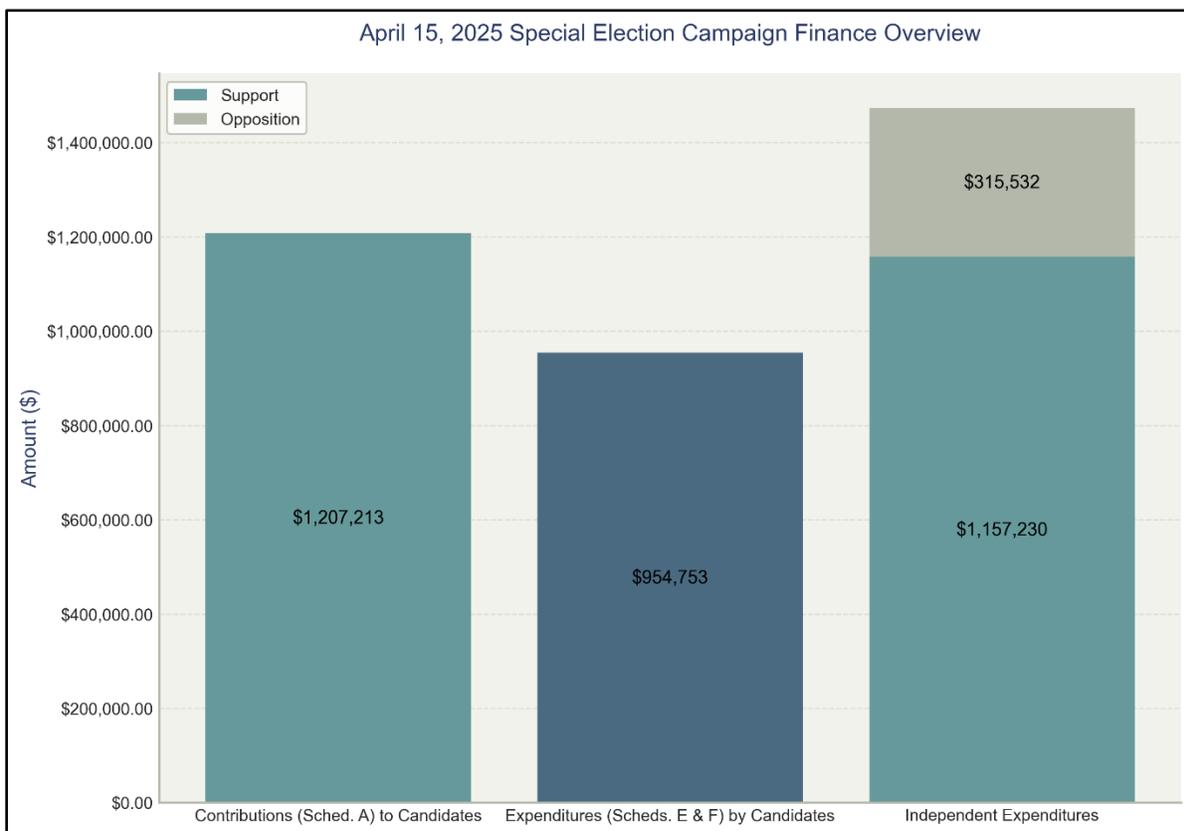
2025 Special Election Campaign Finance Disclosure – On April 15, 2025, there was a Special Election in the City of Oakland for the positions of Mayor and City Council District 2.

Commission Staff coordinated with the California Fair Political Practices Commission (FPPC) on setting up a special election filing schedule, which included pre-election statements, for the April 15, 2025 Special Election. Commission Staff provided the details of the Special Election filing schedule to relevant Oakland committees and included a copy of the schedule on the PEC website for education and information purposes.

The Special Election had two related filing deadlines – the First Pre-Election statement due March 6, 2025, covering activity from January 1, 2025 through March 1, 2025 and the Second

Pre-Election statement due April 3, 2025 covering activity from March 2, 2025 through March 29, 2025. All candidates appearing on the April 15, 2025 Special Election ballot were required to file these First and Second Pre-Election statements for their committees. These filings are made on either a Form 460 (for candidates raising or spending \$2,000 or more on their campaigns) or Form 470 (for candidates raising or spending less than \$2,000). Three candidates with committees did not file their required Form 460s and one candidate did not file a required Form 470. All four candidates have been referred to the Enforcement Unit for review.

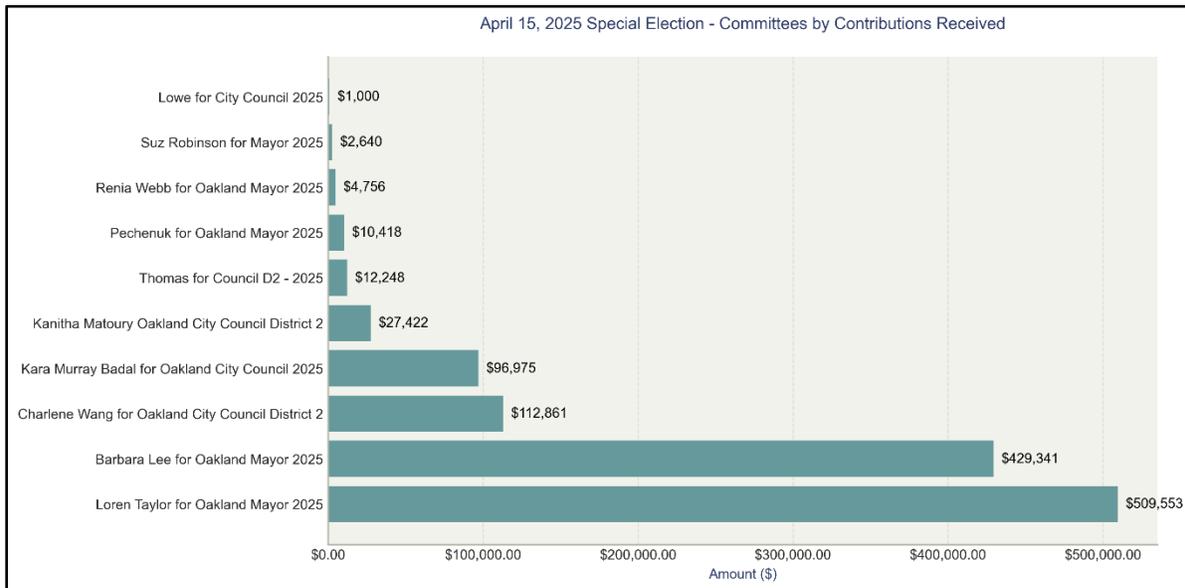
April 15, 2025 Special Election Spending Analysis¹ – The Oakland April 15, 2025 Special Election campaign finance landscape was characterized by significant financial activity across various committees and independent expenditure groups. A total of \$1,207,213 in contributions were raised by Mayoral and Council District 2 candidates, while total expenditures from these candidates amounted to \$954,753. Additionally, independent expenditures supporting or opposing these candidates reached a total of \$1,474,715, with \$1,157,230 towards support spending and \$315,532 towards opposition spending.



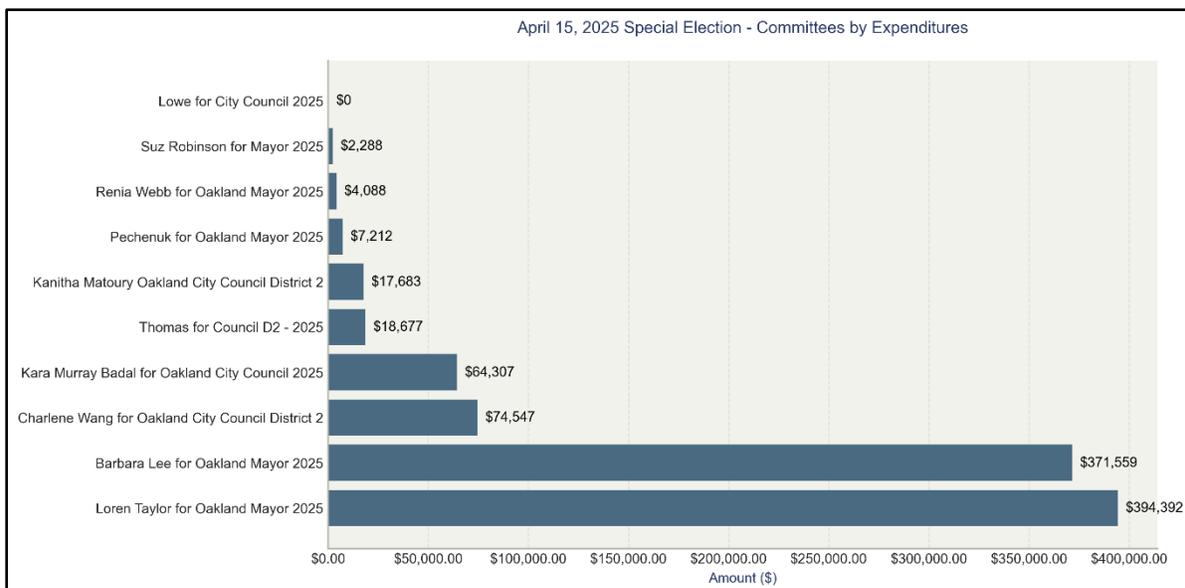
Among the top candidate committee fundraisers, the Loren Taylor for Oakland Mayor 2025 committee led with total contributions of \$509,553, followed by Barbara Lee for Oakland

¹ This is based on data from <https://public.netfile.com/pub2/excel/COAKBrowsable/> as reported (as is) by committees.

Mayor 2025 at \$429,341 and Charlene Wang for Oakland City Council District 2 at \$112,861. Other notable committees include Kara Murray Badal for Oakland City Council 2025 (\$96,975), Kanitha Matoury Oakland City Council District 2 (\$27,422), and Pechenuk for Oakland Mayor 2025 (\$10,418). Note this data is current through the latest reporting period for candidates, which is March 29, 2025. Contribution totals will likely change once contributions received through election day are reported on the semi-annual statement due July 31, 2025.

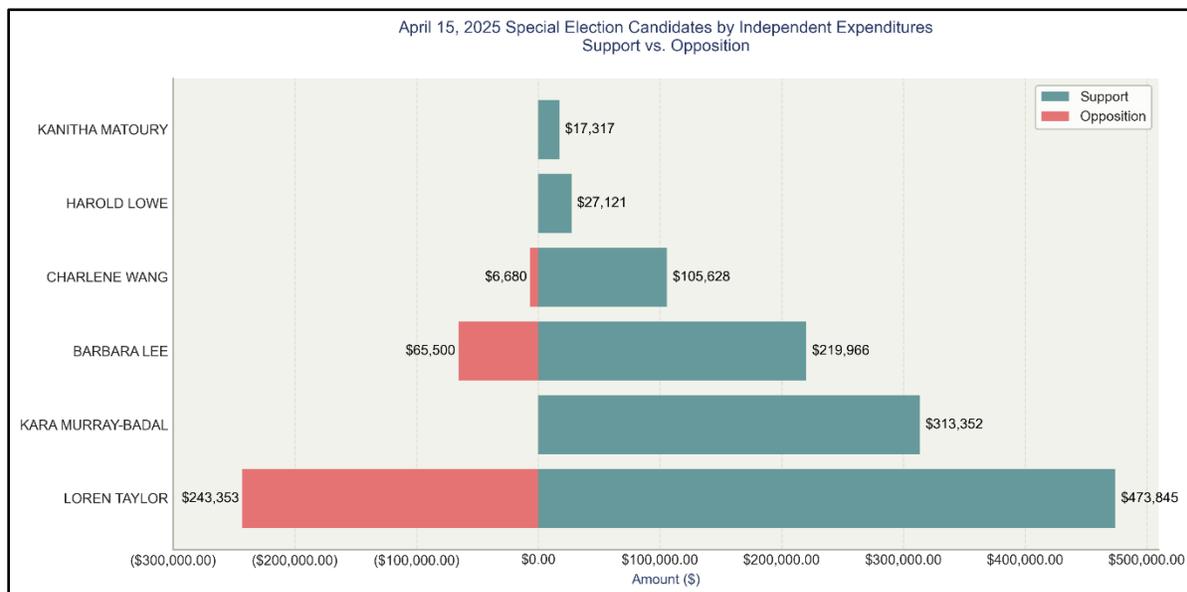


On the expenditure side, Loren Taylor for Oakland Mayor 2025 was again the highest spender at \$394,392. Barbara Lee for Oakland Mayor 2025 followed with \$371,559 in expenditures, while Charlene Wang for Oakland City Council District 2 spent \$74,547. The committee for Kara Murray Badal for Oakland City Council 2025 recorded expenditures of \$64,307, with Thomas for Council D2 - 2025 spending \$18,677.



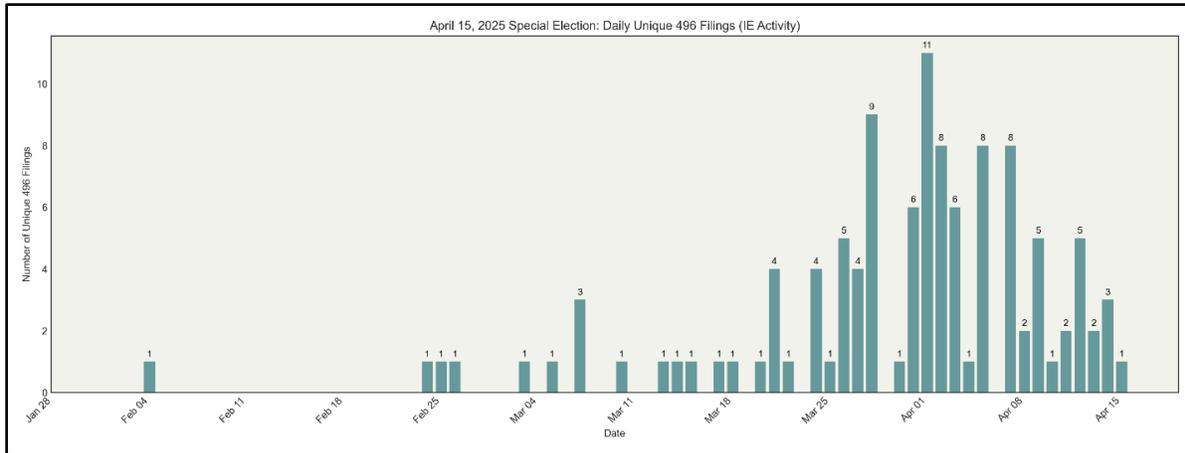
Independent expenditures were significant in the election. Loren Taylor had the highest total independent expenditure activity at \$717,197, which included \$473,845 in support spending and \$243,352 in opposition spending by independent expenditure committees. Kara Murray-Badal followed with \$313,351 in total independent expenditures, all for support. Barbara Lee received \$219,966 in support spending and faced \$65,500 in opposition, bringing total independent expenditure activity to \$285,466. Charlene Wang, with no recorded opposition spending, benefited from \$105,628 in independent expenditure support.

Among other candidates receiving significant independent expenditures, Harold Lowe had a total of \$27,121 in independent support spending. Kanitha Matoury also received independent spending support, totaling \$17,317, with no reported opposition spending.



The time series analysis of Form 496 independent expenditure filings for the April 15, 2025 Special Election reveals a pronounced surge in activity as Election Day approached. While filings were sporadic and relatively low throughout February 2025 and early March 2025, with most days seeing zero or just one filing, the volume of filings began to increase steadily in mid-March 2025.

Notably, there was a significant spike at the end of March 2025 and the beginning of April 2025, with the single highest day recording 11 filings. This peak likely reflects the final push by independent expenditure committees in the April 15, 2025 Special Election’s closing weeks.



Campaign statements are available to view and download at the Commission’s [Public Portal for Campaign Finance Disclosure](#). Campaign finance data, graphs, and visualizations are available via the [City’s Open Data portal](#) and the Commission-sponsored app [Open Disclosure Oakland](#), as well as links on the PEC website.

Illuminating Disclosure Data

Open Disclosure Oakland – The [opendisclosure.io](#) campaign finance app was live with the data for the April 15, 2025 Special Election. Open Disclosure Oakland, a nonpartisan tool, was developed by volunteers from [OpenOakland](#), a civic technologist group, in partnership with Commission Staff to give all Oakland residents equal access to campaign finance data. The Open Disclosure Oakland website shows funds donated to both political candidates and ballot measure committees and provides clear summaries of money raised and spent as well as financial trends for each election. The website also includes a search function that makes campaign donation records easy to search and sort and allows users to search campaign donors by name across multiple campaigns and elections.

Open Disclosure Oakland is updated regularly with data imported directly from the [City’s campaign finance database](#) and includes a notification system that sends subscribers alerts about new campaign reports.

As in prior elections, the PEC purchased advertisements to increase public awareness of these transparency tools. Analytics about response rates and website viewership will follow in a future Disclosure and Engagement Report update.

Lobbyist Registration Program – The Oakland Lobbyist Registration Act (LRA) requires any person that qualifies as a lobbyist to register annually with the Commission before conducting any lobbying activity. Registration renewals were due January 31, 2025.

To date, as of May 8, 2025, 47 lobbyists are currently registered with the City of Oakland for 2025. All lobbyists have paid the \$500 fee upon registration, thanks to the new point-of-sale (POS) system created and implemented with the assistance of the Information Technology Department.

April 30, 2025 was the deadline for lobbyists in Oakland to file their Quarterly Activity Report for Quarter 1 2025. As of May 5, 2025, 44 lobbyists have filed for Q1 2025, two have not yet filed, and two filed late (one lobbyist registered after the Q1 2025 period and is not required to file). Commission Staff is in the process of issuing a late fee notice to the two lobbyists who filed late, and has issued notifications to the two lobbyists who still have not yet filed.

In November 2023, the Oakland City Council adopted amendments to the Lobbyist Registration Act including a new requirement that lobbyists take a training provided by the Commission. Under PEC Rules, lobbyists have 60 days from their date of registration to complete the training, which is required every two years. Because most lobbyists took the training last year, they are not required to take it this year. Commission Staff is working with two new registered lobbyists to ensure full compliance with this training requirement.

An up-to-date list of registered lobbyists and lobbyist activity reports with links to view and download individual reports is available at the Public Ethics Commission's [Lobbyist Dashboard and Data](#) webpage.

Advice and Engagement

The Commission's Advice and Engagement Program seeks to ensure Oakland public servants, candidates for office, lobbyists, and City contractors understand and comply with City campaign finance, ethics, and transparency laws.

Advice and Technical Assistance – Between January 2025 and May 2025 (partial), Commission Staff has responded to 59 requests for information, advice or assistance regarding campaign finance, ethics, Sunshine law, or lobbyist issues.

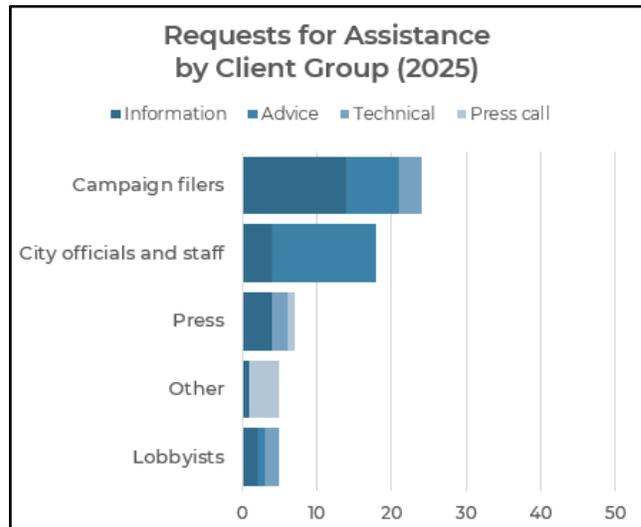
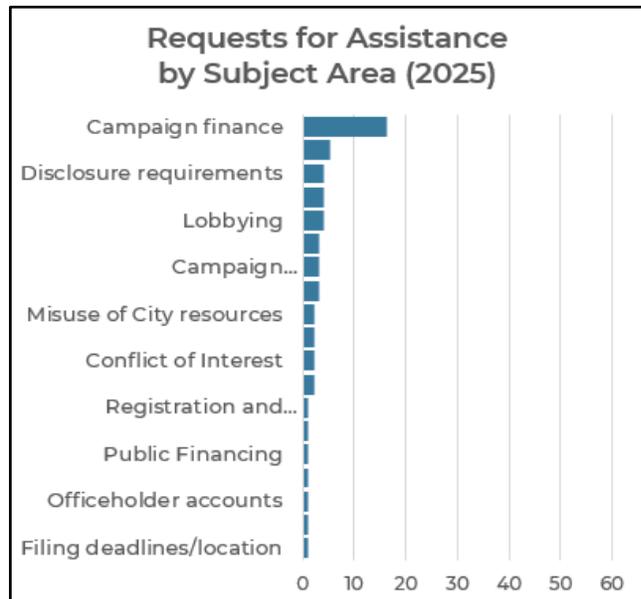
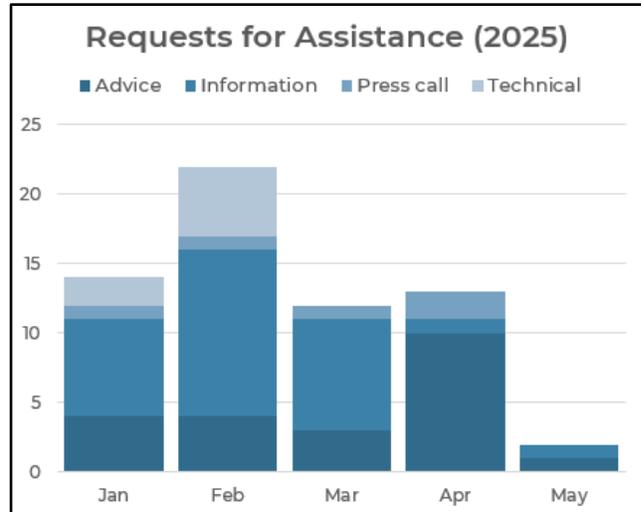
New Employee Orientation – Commission Staff continues to make presentations at the City's monthly New Employee Orientation (NEO) providing new employees with an introduction to the Public Ethics Commission and overview of the Government Ethics Act (GEA).

In the months of March and April, Commission Staff provided an overview of the City’s ethics rules to 21 new City employees. Employees required to file Form 700 disclosure statements were also assigned the Commission’s mandatory online Government Ethics Training for Form 700 filers.

Website Migration – On April 2, 2025, Staff participated in the City’s Content Publisher training for employees assigned to manage their department’s webpages. Staff has been given access to the City’s new content management system to edit pages on the new City website. The new site will go live this summer.

Ethics Check-Ins – On March 17, 2025, Commission Staff conducted an ethics check-in with Councilmember Fife and her staff to provide an overview of the Commission and its work, and to share information about recent changes in both local and state ethics and transparency laws. Topics covered included gift rules, changes to the Lobbyist Registration Act, social media disclaimer requirements, changes to the state’s Levine Act regarding limitations on campaign contributions to local elected officials from certain parties and disqualifications based on past campaign contributions, and future outreach opportunities.

Check-ins allow Commission Staff to better understand the support needs of elected officials and their staff in complying with local ethics laws. Commission Staff also shared about ethics training requirements and provided a link to the PEC’s ethics resource binder.



PEC Advisories – As part of our continuing education efforts, Commission Staff issues routine advisories to ensure that stakeholders subject to the laws under the PEC’s jurisdiction are aware of local rules impacting them. On March 12, 2025, Staff sent an advisory to campaign filers regarding social media account disclaimers.

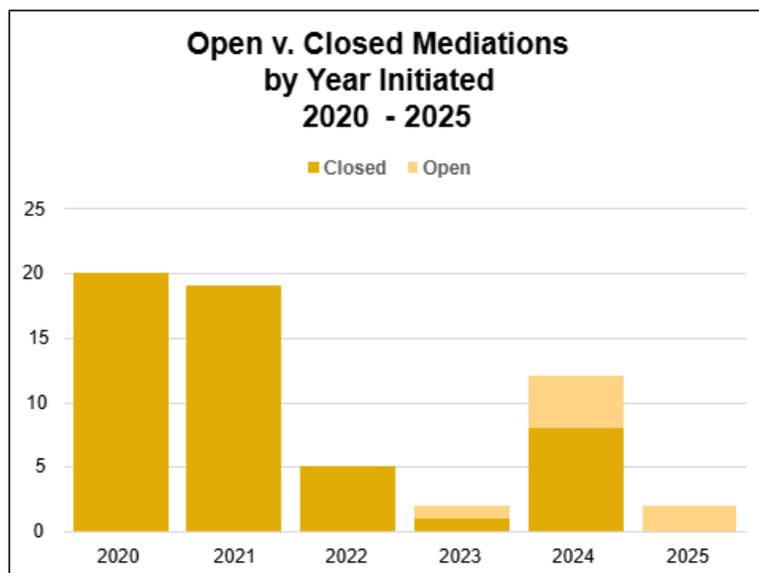
Joint Outreach with City Auditor and Inspector General – In collaboration with the City Auditor and the Office of the Inspector General, Staff coordinated a joint outreach initiative titled “Meet Your Accountability Officers.” This effort is aimed to inform the public about the distinct roles and responsibilities of each office in promoting transparency, integrity, and accountability within city government. The following presentations were made in March 2025:

Date	Group	Presenter
March 20, 2025	West Oakland NEST	Director Heidorn
March 25, 2025	West Oakland Neighbors	Chair Upton

Mediation Program

Pursuant to the Oakland Sunshine Ordinance, the Commission conducts mediation of public records requests made by members of the public to City departments for records within the department’s control. The PEC currently has 7 open mediations. Since the last Commission meeting, the Commission received 1 new request for mediation, and 3 mediations were completed. The closed mediations, attached to this memo, were:

- M2024 – [05-07]: *In the Matter of the Office of the City Council (Mediation Case No. M2024-05, M2024-06, M2024-07; Mediation Summary)*



Online Engagement

Social Media – In March 2025 and April 2025, Commission Staff continued producing monthly social media content, including posts highlighting PEC meetings, Open Data Week, campaign filing deadline, PEC outreach, and the open Executive Director application.

Item 08 -Executive Director's Report - May 2025



Francis Upton IV, Chair
Tanya Bayeva, Vice Chair
Alea Gage
Ryan Micik
Vincent Steele
Karun Tilak

Nicolas Heidorn, Executive Director

TO: Public Ethics Commission
FROM: Jelani Killings, Ethics Analyst
Teddy Teshome, Administrative Analyst
DATE: May 2, 2025
RE: *In the Matter of the Office of the City Council (Mediation Cases No. M2024-05, M2024-06, M2024-07; Mediation Summary)*

I. INTRODUCTION

On April 26, 2024, the Commission received a request for mediation alleging that three City Council offices failed to respond to individual public records requests made by the Requestor. Staff initiated its mediation program on May 3, 2024, pursuant to the Oakland Sunshine Ordinance.

Because records were released for one of the three requests after mediation was initiated, and the Requestor has not replied to Staff communications regarding whether they are still interested in pursuing the mediation, this mediation was closed with no further action.

II. SUMMARY OF LAW

One of the primary purposes of the Oakland Sunshine Ordinance is to clarify and supplement the California Public Records Act (CPRA), which requires that all government records be open to inspection by the public unless there is a specific reason not to allow inspection.¹ The CPRA requires each agency to make public records promptly available to any person upon request.²

Any person whose request to inspect or copy public records has been denied by any City of Oakland body, agency, or department, may demand mediation of their request by Commission Staff.³ A person may not file a complaint with the Commission alleging the failure to permit the timely inspection or copying of a public record unless they have requested and participated in the Commission's mediation program.⁴

Once the Commission's mediation program has concluded, Commission Staff is required to report the matter to the Commission by submitting a written summary of the issues presented, what efforts

¹ Oakland Municipal Code § 2.20.010(C); Government Code § 7920.000 et seq.

² Government Code § 7922.530(a).

³ O.M.C. § 2.20.270(C)(1).

⁴ O.M.C. § 2.20.270(F).

Item 08 -Executive Director's Report - May 2025

were made towards resolution, and how the dispute was resolved or what further efforts Commission Staff would recommend to resolve the dispute.⁵

III. SUMMARY OF FACTS

On December 28, 2023, the City received a total of three records requests via NextRequest from the Requestor to individual City Councilmembers (23-12521, 23-12522, 23-12547).

The records request asked for all “writings” involving communication between Councilmember [Bas, Gallo, Jenkins], Jewish groups, Palestinian groups, Arab groups, and Muslim groups. The records request also asked for writings between Councilmember [Bas, Gallo, Jenkins] and other members of the Council between Councilmember [Bas, Gallo, Jenkins] and the City Administrator concerning the ceasefire resolution from November 27, 2023. Finally, the records request asked for all writings between Councilmember [Bas, Gallo, Jenkins] and Oakland officials concerning security arrangements for the November 27, 2023 City Council hearing.

On April 26, 2024, the PEC received a mediation request from the Requestor stating that the individual council offices failed to respond to the public records requests. Subsequently, Staff initiated mediation.

The table below provides a status summary of the three public records requests by the Requestor:

NextRequest Number	NextRequest Status	Documents added after mediation notification	Additional Notes
23-12521	Closed	Yes	Stated that all requested documents have been released.
23-12522	Closed	No	On 6/26/24 Staff was informed by the Requestor that he had interacted with Councilmember Jenkins and was content with the outcome of the conversation and that he was okay with closing the records request and the accompanying mediation.
23-12547	Open	No	On 7/9/2024, the responsive office stated that per the information technology department, they have found no documents that support the requested criteria.

On March 4, 2025, Staff reached out to the Requestor to inquire if they were still interested in pursuing the mediation. Staff also informed them that if there was no response, the mediation

⁵ Complaint Procedures § IV (C)(5).

Item 08 -Executive Director's Report - May 2025

would be closed. No response was received from the Requestor. A follow-up email was sent on March 24, 2025, but no response was received.

IV. RECOMMENDATION

Responsive documents were provided for one of the three public records requests (PRR 23-12521). The Requestor indicated to Staff that they were ok with closing the PRR relating to 23-12522. Since the other responsive office indicated that they had no documents related to PRR 23-12547 and the Requestor has not replied to Staff communications regarding whether they are still interested in pursuing the mediation, this mediation is closed with no further action.

Item 09 - Enforcement Report re Complaint Backlog Strategy



Francis Upton IV, Chair
Tanya Bayeva, Vice Chair
Alea Gage
Ryan Micik
Vincent Steele
Karun Tilak

Nicolas Heidorn, Executive Director

TO: Public Ethics Commission
FROM: Tovah Ackerman, Enforcement Chief
DATE: May 9, 2025
RE: Enforcement Report re: Complaint Backlog Strategy for the May 21, 2025, PEC Meeting

1. Introduction

For several years, the Enforcement Unit of the Oakland Public Ethics Commission (PEC) has been operating under a severe complaint backlog which is straining Commission resources and undermining the Commission's ability to provide timely and effective resolution of the complaints before it. Over the past five years, both the volume and complexity of complaints have risen sharply, while Enforcement's staffing levels have not changed since 2014. As of May 9, 2025, two staff members are responsible for managing one hundred and fifty-two (152) open complaints—an unsustainable 1 : 76 staff-to-complaint ratio—which is over six times the load faced by similar local ethics agencies in San Francisco, Los Angeles, or San Diego.

This report outlines new process improvements and a prioritized complaint closure process that the Enforcement Unit will be implementing over the next six months to restore operational sustainability, reduce backlog, and refocus resources on high-impact investigations. It also details two sets of discretionary criteria PEC staff will apply prospectively and retroactively to ensure that enforcement efforts are both strategic and effective.

Enforcement staff notes that, without the addition of at least two additional investigators and one staff attorney in the FY25-27 budget process, the Enforcement Unit will be forced to close well over half of its open complaints received prior to June 1, 2024 just to maintain basic operations. The proposed FY25-27 budget recommends adding one investigator to the Enforcement Unit—an important improvement, though still short of the three additional staff the PEC believes are needed. Even if full staffing is achieved, the Enforcement Unit will have to close a substantial number of our older complaints to restore functional capacity, but likely less than fifty percent of complaints opened prior to June 1, 2024.

The report is being presented to the Commission as a discussion item only, to apprise the Commission of the next steps Enforcement staff intends to take. As with other law enforcement agencies, the PEC's Enforcement Unit has prosecutorial discretion to prioritize complaints for investigation or closure based on a number of factors, including the seriousness of the violation, the age of the complaint, and the Commission's enforcement resources. In recent years, the Enforcement Unit has sought to review all complaints that have alleged a violation of the law within the Commission's jurisdiction. With current staffing levels, this level of service is not sustainable, and Enforcement Staff will be returning to practices earlier in its history when the Enforcement Unit was significantly stricter in deciding when to devote enforcement resources to a complaint.

No Commission vote is required at this time. However, the Commission will have to vote when, consistent with this strategy, specific investigations are presented for closure at upcoming Commission meetings; Commission support for this approach is therefore necessary for the success of this plan.

2. Background - Authority and Mandate:

The PEC is an independent body composed of Oakland residents, tasked with promoting fairness, transparency, integrity, and accountability in Oakland city government. The Commission is responsible for enforcing the City of Oakland's ethics, campaign finance, transparency, and lobbyist registration laws.

Under Article VI, Charter Section 603(f), the PEC's Enforcement Unit is authorized to investigate violations, issue subpoenas, and impose penalties, remedies, and fines for breaches of applicable laws. Section 603(f)(1) outlines these enforcement powers, while Section 603(f)(2) requires that final enforcement actions, including complaint closures or the imposition of fines, be approved by an affirmative vote of at least four Commission members.

The PEC Mediation and Complaint Procedures further clarifies in Section IV(A)(1) that Commission staff "may dismiss a complaint if the allegations do not warrant further action." (See also Charter Section 603(f)(3)(ii).) Once a case is opened, under Complaint Procedures Section IV(A)(2), Commission staff "may recommend closure of a complaint if it falls within the Commission's jurisdiction but there is reason to support closure."

The Mediation and Complaint Procedures do not specify what reasoning the Enforcement Unit might use to show the “allegations do not warrant further action” or to show the “reason to support closure” of open complaints. However, in recent Enforcement Reports, different Enforcement Chiefs have all cited the same four criteria for closing complaints or determining whether to open new complaints:

1. The extent of Commission authority to issue penalties;
2. the impact of a Commission decision;
3. public interest, timing, and relevance; and
4. Commission resources.

These factors have long formed the rubric used by PEC staff to assess open cases. In recent years, however, staff adopted a more generous posture, opening nearly all plausible and jurisdictional complaints. This level of service is no longer sustainable given current staffing. PEC staff must apply greater discretion going forward, guided by this established rubric. If staffing improves, PEC staff will reassess the level of discretion used in complaint intake.

3. Overview of Current Enforcement Caseload

In 2024, the Division processed approximately one hundred and forty-seven (147) new complaints. From those, approximately forty (40) complaints are still open. This number includes nine (9) Form 700 complaints brought proactively. While the prior practice in Enforcement reports was not to include these as one case in the total case number, these cases require a fair amount of Enforcement resources and therefore PEC staff chose to include them in this complaint count, and to permit consistency in comparison with other jurisdictions.

In 2023, the Division processed approximately one hundred and twenty-nine (129) new complaints, of which approximately forty-four (44) complaints are still open.

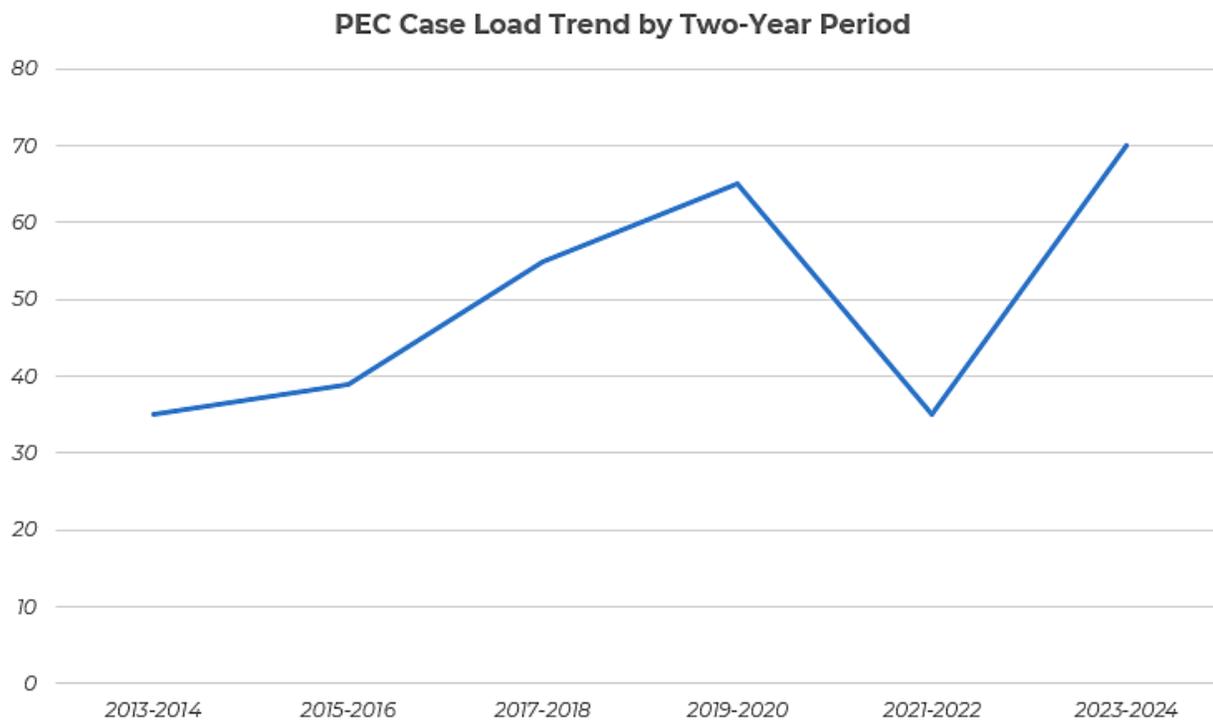
Below is a table of the approximate number of complaints that are still open today, organized by year.

Year	Approximate Number of Open Complaints
2025	18
2024	40
2023	44
2022	28
2021	7

2020	8
2019	2
2018	3
2017	1
2016	1
TOTAL	152

Over the last twelve months, the Division has had an approximate average of one hundred and twelve (112) investigations open at any given time. While caseloads are unpredictable and regularly in flux, the number of complaints received tends to increase during elections, such as the 2024 regular election and the April 2025 special election.

The following visualization shows new complaints escalated to an official PEC matter – meaning it was assigned a case number – by the PEC Enforcement Unit from 2013 through 2024, over two-year periods to include an election and non-election year (i.e., 2013-2014, 2015-2016, etc. through 2023-2024). It excludes informal complaints that were rejected at the Intake phase. It also treats cases with multiple sub-cases as one case. For example, the PEC’s dozens of Form 700 non-filer investigations in 2024 are treated as one complaint in this visualization.



The visualization shows that caseloads increased for the PEC from thirty-five (35) in 2013-2014 to a peak of sixty-five (65) in 2019–2020. This represents a nearly twofold rise over six (6) years. Then, after a COVID-19-related drop occurred during 2021-2022, complaint counts surged to a new peak of seventy (70) for 2023-2024, surpassing prior levels. Meanwhile,

number of staff in the Enforcement Unit has remained at two employees – presently one Enforcement Chief and one Investigator, for the duration of this period.

In addition to the increasing volume of PEC cases, their complexity has also grown, demanding greater investigatory and enforcement resources. For example, while the PEC handled just one (1) active bribery complaint in 2015–2016, there are currently eight (8) open bribery cases in 2025. These cases are especially challenging, as they often lack independent verification and hinge on conflicting accounts, such as the recent *In Re Dabney* matter, requiring significantly more investigatory resources and for staff to navigate complex credibility assessments in order to substantiate the allegations.

One of the guiding principles for Enforcement, included in its Enforcement Penalty Guidelines is “timeliness.” The guidelines state: “For all violations, timeliness brings accountability. Public confidence in government and the deterrence effect of enforcement is reduced when enforcement is delayed. Compliance should be timely to provide the public with required disclosures, and to mitigate harm caused by a violation(s).” At the time of the presentation of this report, approximately thirty-five percent (35%) of our complaints will be more than two years old.

As discussed above, we currently have approximately one hundred and fifty-two (152) open complaints. New complaints continue to arrive daily, from both the public and, to a lesser degree, from proactive enforcement. With two (2) Enforcement staff members, that equates to about a 1 : 76 open complaint ratio per staff member. This ratio is unsustainable from an enforcement standpoint and far exceeds the staffing to complaint ratios of peer jurisdictions. In comparison, below is a table of staff to open complaint ratios among different jurisdictions in the state as of a March 2025 analysis:

Jurisdiction	Approximate Number of Open Complaints	Number of Staff, Including Enforcement Chief	Approximate Staff to Complaint Ratio, including Enforcement Chief
Oakland	152	2	1:76
San Francisco	53	6	1:9
San Diego	14	1	1:14
Los Angeles	105	12	1:9

The FPPC has a different structure than the city ethics commissions and so the ratio of staff to open cases is not as direct as these other jurisdictions, however as of the beginning of April, FPPC Enforcement had a total of 879 cases. They also have a total of forty-one (41) staff members, including fourteen (14) attorneys and ten (10) investigators. Their open complaint load is less than six (6) times the number of cases we have here in Oakland, even though the

FPPC serves nearly one hundred (100) times more people and has over twenty (20) times the staff.

The current ratio that the Oakland Enforcement Unit faces is untenable. No amount of dedication or hard work will allow two staff members—the Enforcement Chief and the single investigator—to address the overwhelming caseload. *Additional staffing is necessary immediately to handle the PEC's incoming caseload and begin to meaningfully address its complaint backlog. However, even if the Enforcement Unit secured funding for the three additional staff long identified as necessary, the ratio of staff to open complaints would be approximately 1 : 30, still over double our neighboring jurisdictions.*

In sum, increasing staffing is necessary but not sufficient to resolve the PEC's complaint backlog. Even with additional staff, the Enforcement Unit will still need to close a substantial number of open complaints; however, the extent of those closures will depend directly on staffing levels achieved in the FY25-27 budget. The FY25-27 budget proposes adding one additional investigator—an improvement, though still short of the three total investigators and one attorney the PEC believes are needed. If the Enforcement Unit receives all additional personnel it needs, staff may be able to close *less than half* of the complaints opened before June 1, 2024. Without sufficient additional staff, PEC anticipates needing to close *well over half* of those pre-June 2024 complaints in order to restore operational capacity. (The June 1, 2024 cutoff was selected so that, by the end of 2025, the most recent 18 months of complaints will remain fully active and generally will be resolved on their merits.)

4. Background on Recent Staffing, Enforcement Practices, and Caseload Limitations

The Enforcement Unit's critical understaffing is not news to the Commission or the City. Former Enforcement Chief Simon Russell and Executive Director Nicolas Heidorn have consistently raised the alarm that the Enforcement Unit needs a minimum of two additional investigators and one staff attorney to operate effectively. Chief Russell noted the inadequate staffing of the Enforcement Unit in the January 2023 year-end report for 2022. He wrote, "...the stark reality is that the Enforcement Unit has insufficient staffing to address all of the matters on its caseload in a timely manner... Experience has shown that two full-time staffers is insufficient to handle Enforcement's caseload as it has grown over the years." (Enforcement Program Monthly and Year-End Report for the January 11, 2023, PEC Meeting)

The PEC's understaffing problem has been further exacerbated by the fact that, whenever there are Enforcement staff transitions, the Enforcement Unit may go months without any investigative staff. For example, in August 2022, Enforcement staff was reduced to solely the Enforcement Chief, who managed the entire caseload singlehandedly at all stages. This severe understaffing continued into 2023 when, for most of the year, the Enforcement Unit had no full-time, permanent investigators, and only intermittent support from contract staff. For

Item 09 – Enforcement Report re Complaint Backlog Strategy

these reasons Chief Russell made the decision to put over half of the open complaints "on hold," effectively freezing those complaints for the foreseeable future in order to free up capacity for other complaints deemed to be more serious. It was not until December 2023 that a new, permanent investigator was hired.

During Chief Russell's tenure, the Commission deliberately prioritized major, complex complaints that demanded significant PEC resources. As a result, he successfully brought several high-profile matters before the Commission. However, this focus on serious complaints led to a backlog of less urgent matters, as the Commission lacked the staffing to address all complaints at once.

In September 2024, Chief Russell resigned as Enforcement Chief, citing the City's continued refusal to allocate additional staffing resources, despite his repeated warnings about a growing staffing crisis. In his resignation letter, Chief Russell wrote, "I can only conclude that this failure is largely deliberate, even despite (or perhaps because of) the considerable public interest in our complaints that have been brought partially to light." Chief Russell correctly (though I believe only partially correctly) stated that the problem would not improve unless the Enforcement Unit received more funding for staffing.

From September 2024 to January 2025 the Enforcement Unit had no Chief. During that time, Executive Director Nicolas Heidorn brought former Executive Director Whitney Barazoto on as a consultant to provide part-time help with the Enforcement caseload as a new Enforcement Chief was recruited and selected.

I began my tenure as Enforcement Chief at the end of January 2025, with a single investigator on my staff. The work overload and understaffing that led to Simon Russell's resignation has not changed between his resignation and my hiring. In fact, considering it took a number of months to hire and onboard me, the backlog has only grown since Chief Russell's departure. While we've managed to close more complaints than we've opened in 2025, the overall volume of open cases remains high and continues to strain our capacity.

Chief Russell's decision to put over half of the complaints on hold may have been necessary, but it was temporary. Putting complaints on hold indefinitely merely postpones complaint processing to a later, unspecified date; it does not solve the backlog problem.

5. Process Improvements in Enforcement Practices

Put simply, the Enforcement Unit is investigating too many complaints with too few resources, and our caseload has been growing unsustainably for years. Given current staffing, PEC staff is unable to provide the Oakland public with the timely, thorough, and consistent level of enforcement that they deserve. If the Enforcement Unit does not significantly reduce its backlog, staff will be unable to turn to new complaints in a timely manner, and the overall

caseload will continue to balloon. This creates not just operational delays—it also undermines deterrence and public trust in the Commission’s ability to ensure accountability.

The Enforcement Unit currently lacks the staffing and infrastructure needed to resolve both the existing backlog and the steady flow of new complaints within a reasonable timeframe. To manage incoming complaints and begin making meaningful progress on serious, long-standing matters, two additional investigators and one staff attorney are required. However, as discussed above, even with added personnel, the Enforcement Unit will not be able to fully eliminate the backlog—particularly if limited resources are diverted to low-level or outdated complaints. The Enforcement Unit must review and close a large number of older complaints to reach a sustainable caseload. However, if new staff is added to the Enforcement Unit as a result of the FY 2025-2027 budget, as proposed, the number of cases staff need to close will be reduced. With full staffing of three additional staff members, the number of cases necessary to close may be less than fifty percent.

PEC staff's proposed plan addresses two aspects of Enforcement’s current caseload: how to process new complaints without adding to an overwhelming case volume, and how to resolve as many old complaints as possible in a timely way. Much of this plan is merely a return to prior Enforcement practices of applying greater prosecutorial discretion in opening cases (for which PEC staff already has the authority), applied prospectively and retroactively.

A. Looking Forward

The following outlines my intentions and proposed framework, moving forward, to prevent additional backlog.

- i. I plan to refer all incoming PRA complaints to the FPPC for the foreseeable future, unless the Oakland PEC has a significant interest in keeping them in-house

The FPPC has a great deal more resources than the Oakland PEC. They have more robust staffing, which includes both investigators and staff attorneys. They are better suited to handle a large number of complaints than the Oakland PEC. For these reasons, I plan to refer most PRA complaints to the FPPC, including complaints that may allege a secondary OCRA violation, unless the PEC has a significant reason for retaining the complaint. For example, if the “impact of a[n Oakland] Commission decision” (one of the items of the proposed rubric, below) is greater than the impact would be from the FPPC—that is, a decision by the PEC would merit more attention or gravity for the Oakland public than a ruling by the FPPC—we may decide to retain a PRA complaint for internal investigation. Referred complaints will remain open but in an inactive status in our complaint database under a new category that does not count toward our active complaint total, allowing the PEC to decide whether to take further action if and when the matter is returned to us. Automatically referring such

complaints to the FPPC, moving the complaint to an inactive status, and recategorizing them while the FPPC investigates will keep our number of open complaints from expanding. It will also save staff resources as the PEC may decide appropriate next steps, which may include closing or re-opening an investigation, after benefitting from the FPPC's investigation.

If staffing or PEC resources change in the future, this policy will be reevaluated.

- ii. I plan to use more prosecutorial discretion when deciding whether to open new investigations

Over the past five years, the number of complaints submitted to the PEC—as well as the complexity of those complaints—has increased significantly. Meanwhile, the number of Enforcement Unit staff has remained unchanged. During this time, Enforcement staff have consistently opened investigations into nearly all complaints that presented a potential violation within the PEC's jurisdiction, regardless of the severity of the alleged conduct. At the preliminary review stage, staff have generally applied a “motion to dismiss” standard: if the facts alleged, taken as true, would constitute a violation of law, the complaint was advanced to a formal complaint. This approach reflects the Commission's strong commitment to transparency and public accountability.

However, maintaining this level of service in the face of rising demand and static staffing levels is no longer sustainable. This is not a reflection of mismanagement or poor prioritization, but rather a response to structural limitations in staffing that have outpaced the existing model of enforcement.

Unless or until additional staffing is secured, Enforcement staff must direct their limited resources toward high priority matters and more serious alleged violations. This necessarily means initiating fewer investigations into lower-level complaints—for example, one-time violations involving minor reporting or filing issues—except when enforcement is important for reasons of deterrence. This shift is consistent with the Commission's Penalty Guidelines, which emphasize proportionality and strategic enforcement:

The focus of the PEC's work—both in terms of resources spent as well as the level of penalty imposed—should reflect the seriousness of each violation so that penalties urge compliance, while preserving PEC resources for major violations that may occur. (Public Ethics Commission Enforcement Penalty Guidelines pp. 1-2)

In earlier years, PEC staff regularly exercised broader discretion in determining whether to open an investigation, especially in response to informal complaints. The Mediation and Complaint Procedures explicitly permit staff to dismiss complaints for a range of reasons, stating that: The Mediation and Complaint Procedures say that “Commission staff may dismiss a complaint if the allegations do not warrant further action for reasons *that may include, but*

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are not limited to, the following.” (Emphasis added). The guidelines then enumerate a number of reasons to dismiss a complaint.

Enforcement staff have always had the authority to exercise prosecutorial discretion, and that authority has become essential today, given current staffing levels and the increasing demands on the Unit. That is, we must now necessarily return to a more selective approach. Moving forward, PEC staff will be more selective in deciding whether to open investigations, with the goal of focusing resources on cases that have the greatest potential for public impact and accountability.

To avoid losing deterrent value, PEC staff will not overly specify the precise thresholds that determine whether a complaint is opened. The exercise of discretion must retain flexibility to account for the unique facts of each complaint. Enforcement’s exercise of prosecutorial discretion in deciding whether to open an investigation will use the same criteria that have historically guided these determinations:

1. The extent of Commission authority to issue penalties;
2. the impact of a Commission decision;
3. public interest, timing, and relevance; and
4. Commission resources.

Retroactive decisions will apply a more granular rubric, as outlined in the next section.

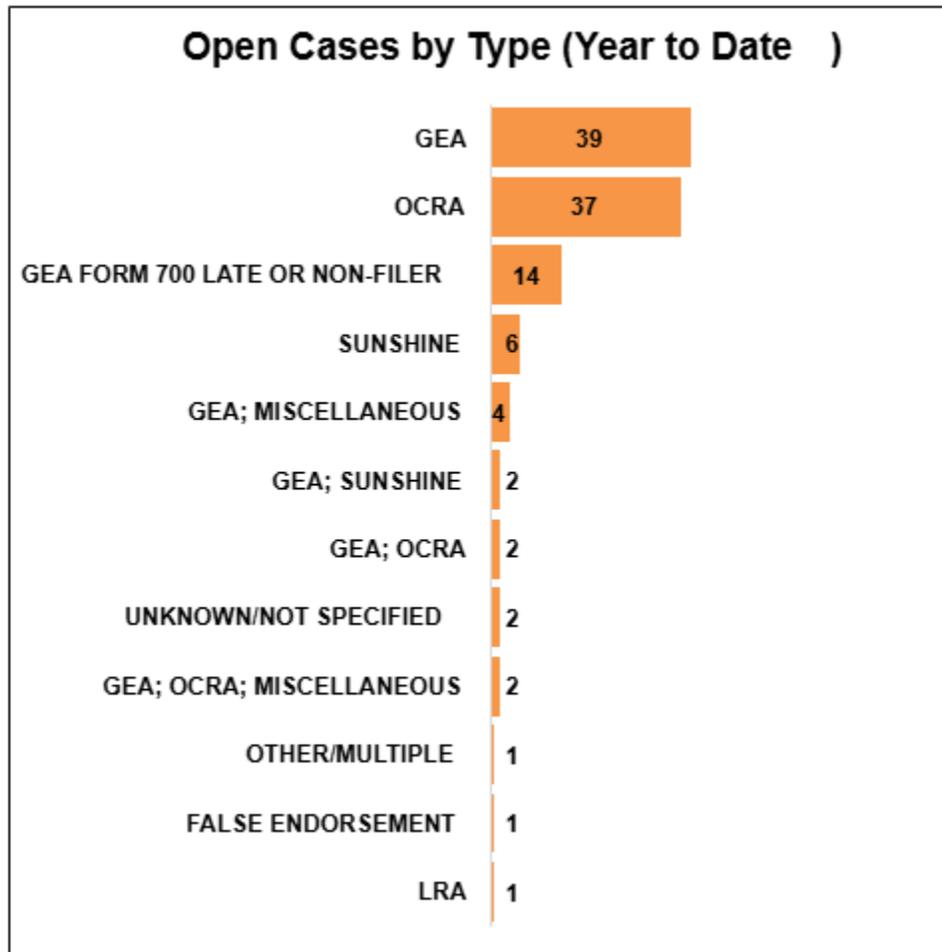
With these factors in place to help guide and focus enforcement resources, the Unit will plan to allocate resources accordingly toward the most pressing and significant matters, with an eye to long-term sustainability. If staffing or PEC resources change in the future, this policy will be reevaluated.

B. Looking Backward:

The following outlines my intentions and proposed framework, looking backward, to shed our overwhelming backlog.

- i. Refer Most PRA Cases to the FPPC Unless Retention is Justified by Local Oversight Priorities:

In the Enforcement Report for this meeting, we included a graph showing open cases by type in the year to date. That graph is recreated here.



This graph illustrates that a substantial number of our open complaints involve OCRA violations. As part of my retroactive plan, I propose a comprehensive review of our complaint log to identify all PRA-related allegations—including serious ones—for referral to the FPPC. This approach would also apply to cases involving PRA allegations paired with low to moderate OCRA violations.

Due to limited resources, these cases will be referred to the FPPC—unless compelling local oversight concerns justify retention—and categorized as “Referred, inactive” in our database. These “Referred” cases would then be excluded from the active caseload unless and until they are returned. When a case is returned, PEC staff will apply the same evaluation rubric outlined below to assess whether continued pursuit of the OCRA violation is appropriate, taking into account the FPPC’s findings and resolution. Because the FPPC will have already completed its investigation, many of these returned cases can likely be resolved more efficiently—either through minimal additional investigation, closure, or dismissal, or by proceeding toward a settlement with the respondent.

If staffing or PEC resources change in the future, this FPPC referral policy will be reevaluated.

- ii. Close all relatively minor to moderate cases in which the Respondent is no longer an employee of the City of Oakland

The stated goals of the PEC—that public officials and decision-making processes operate impartially, that government activities are transparent, and that public trust in the local political system is strengthened—are best served by focusing our attention mainly on respondents who are still working for the City of Oakland. While there are a few, major cases in which the respondent is no longer (or never was) an employee of the City which should remain open, PEC staff may close out a number of cases if the respondent is no longer employed by the City, provided that the offense alleged is relatively minor to moderate in severity. Staff will likely retain cases involving former City employees if the allegations involve high-level officials, even if the allegations are less severe. (Status of employment would only be a factor in a backwards-looking analysis. Moving forward, Enforcement staff will investigate city employees as well as former city employees and others, so long as the allegations are relatively serious.) In addition, as part of its severity analysis, staff will also consider whether the alleged violation was likely due to inadvertence/negligence, or willful.

If staffing or PEC resources change in the future, this policy will be reevaluated.

- iii. Review all remaining cases for relative severity, with the goal of closing a substantial number of cases opened prior to June 1, 2024.

The June 1, 2024 cutoff was selected to ensure that, by the time this retroactive plan is fully implemented at the end of December 2025, the most recent eighteen (18) months of cases will remain unaffected. Preserving these newer cases allows the Enforcement Unit to maintain continuity in addressing current misconduct and ensures that timely complaints receive appropriate attention.

For pre-June 2024 complaints, PEC staff plan to apply a more detailed rubric than the prospective rubric detailed above in order to determine which legacy cases to close. In deciding whether to close an older complaint or open an investigation, staff will consider the following non-exhaustive factors:

1. Severity of the alleged violation
2. Impact of a Commission decision
3. Timing of alleged misconduct
4. Availability of a meaningful remedy
5. Level of investigative resources needed to substantiate a violation
6. Probability of substantiating allegations

7. Availability of enforcement resources

This rubric is adapted from the policy used by the San Francisco Ethics Commission in August 2019 in response to its inability to resolve all open complaints in a timely manner (Performance Audit for the Ethics Commission, August 10, 2020).

By **“severity of the alleged violation,”** I mean that the Enforcement Unit would evaluate the type and scale of the alleged misconduct. In general, those matters involving allegations of public corruption, misuse of position by public officials, self-dealing, conflicts of interest, whistleblower retaliation, and other breaches of the public trust will be assigned a higher relative prioritization by Enforcement Staff than, for example, complaints involving solely reporting or recordkeeping omissions or deficiencies. Similarly, cases where the respondent is alleged to have intentionally violated the law, as opposed to doing so inadvertently or negligently, will be prioritized for enforcement to deter future violations.

By **“impact of a Commission decision,”** I mean that the Enforcement Unit may evaluate the scope of the alleged misconduct (that is to say, not only as to a given respondent but more broadly across the regulated community), the probable deterrent value of a public resolution, and the public interest in securing an enforcement outcome.

“Timing of alleged misconduct” simply means how old and possibly stale an open complaint may be, which would be indicative of how much value there is in resolving it with sanctions.

“Availability of a Meaningful Remedy” refers to the likelihood that, if a violation is confirmed, an enforceable and impactful outcome can be achieved through the investigative and enforcement process. This includes the potential to impose sanctions, require corrective actions, or deter future misconduct. A complaint is more likely to be kept open when a meaningful remedy exists—i.e., when enforcement action could lead to a tangible improvement in compliance, accountability, or public trust.

“Level of investigative resources needed to substantiate a violation” refers principally to the amount of enforcement staff time that is necessary to substantiate a violation, but in some complaints may also include other resources, for example the cost to the PEC’s budget to hire investigators or process servers to locate difficult-to-find respondents. This measure, in conjunction with the other measurements, helps prioritize the cost-benefit of pursuing a particular investigation.

“Probability of Substantiating Allegations” refers to the likelihood that sufficient evidence can be gathered to support and prove the alleged violation through investigation (e.g. if witnesses can still be found and how stale and unreliable their memories may be). This measure helps prioritize complaints where there is a realistic chance of reaching a fact-based conclusion, rather than expending limited resources on matters unlikely to be proven.

“Availability of Enforcement Resources” will always, by necessity, need to be included in the rubric, but the weight of this rubric measure will vary depending on the instant caseloads, the instant staffing, and the pace of incoming complaints.

The retroactive and prospective rubrics are intentionally different because evaluating a newly submitted complaint requires a different approach than assessing an older complaint that has remained unresolved for years. For example, a complaint opened six years ago might now warrant closure due to its age and diminished value in resolution, even though the same complaint—if received today—could merit opening an investigation. Additionally, applying a more detailed rubric to legacy cases does not undermine the deterrent effect of enforcement moving forward, as these closures represent a one-time corrective measure. Importantly, each complaint will continue to be evaluated individually, based on its specific facts and circumstances.

In applying this rubric retroactively, PEC staff will need to review the full record for each case—this includes the staff chronology, internal memos, intake forms, and any investigative steps taken to date—in order to recreate the facts and evaluate the complaint against the rubric. This is a resource-intensive process, but it is necessary to ensure fair and consistent decision-making.

Given limited PEC resources to address a backlog, the final rubric measure, **“Availability of Enforcement Resources,”** will be given a fair amount of weight in this retroactive analysis. The final three rubric measures—'Level of investigative resources needed to substantiate a violation,' 'Probability of substantiating allegations,' and 'Availability of enforcement resources'—may not be publicly discussed during Commission meetings. This is because disclosing these internal assessments in some circumstances could inadvertently reveal PEC staff's investigative strategies, limitations, or thresholds for complaint viability, potentially undermining the effectiveness of future investigations or enabling strategic non-compliance by regulated parties.

PEC staff will present groups of complaints—primarily those deemed low to moderate in severity—for closure during the Commission’s September and November meetings, and potentially at Special Meetings convened in between.

As a general illustration, a five-year-old campaign reporting violation may be a candidate for dismissal under the retroactive rubric, whereas a bribery allegation from the same period would more likely remain open. As always, these determinations will be made on a case-by-case basis, grounded in the specific facts and context of each complaint. PEC staff will also be less inclined to close complaints that have reached the “Legal Analysis” or “Seeking Settlement” stages, as substantial resources will have already been invested in investigating and advancing those complaints to that point in the process.

Many of these complaints will still be in the Preliminary Review phase, since Enforcement staff has been unable to spend the time and resources necessary to move many complaints forward. Consistent with past PEC practice, staff may dismiss complaints that have not progressed to the investigation stage at their own discretion and present those complaints to the Commission at the next meeting for the Commissioners' information only.

Complaints that have entered into the investigation stage will be presented to the Commission for approval of closure. In presenting these cases, PEC staff would present the analysis based on the above rubric and a brief description of the case to the Commission. This approach will necessarily require the Commission's trust in the professional judgment of PEC staff, who are uniquely positioned to assess each case within the broader context of its full caseload. Only staff have the comprehensive understanding needed to evaluate factors such as relative severity, investigative feasibility, and potential impact. Importantly, this is not a departure from past practice—it is a retrospective application of the same discretion previous PEC staff have had to exercise to maintain a manageable caseload. As always, closure letters to all Complainants will include the date and time their case is scheduled to be presented to the Commission for closure. Complainants are able to attend the meeting and, if they choose, speak during public comment to oppose the closure.

While closing out a substantial number of cases is a significant step, I believe it is necessary. An Enforcement Unit that is buried under its backlog is one that can no longer advance the Commission's goals. We have a singular opportunity to reset expectations, restore operational focus, and expand public trust in our work. If we attempt to reduce the backlog incrementally by closing out cases without resolution over the course of several years, we risk sending the message that complaint resolution is inconsistent and uncertain. That approach would undermine confidence in the Commission's ability to deliver timely and fair outcomes. To move forward with integrity and transparency, this complaint reduction must be decisive and unified—a strategic reset—so we can realign resources and better fulfill our mandate to the people of Oakland.

Here are some relevant figures: As of this writing, the Enforcement Unit has one hundred and twenty (120) open complaints that were initiated before June 1, 2024. As an example, if we close approximately fifty percent of these—based on their relatively minor to moderate severity—we would still have around 60 open complaints total.

Including more recent complaints, our active docket as it stands currently would then total roughly ninety-two (92). With only two staff members, this results in a ratio of 1 : 46—a still unsustainable caseload that significantly exceeds staffing levels seen in comparable jurisdictions.

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To bring this ratio down to a more manageable level, we must either:

- Close well over half of all open complaints, or
- Increase staffing within the Division.

If the Enforcement Unit receives adequate staffing through the FY2025–2027 budget, PEC staff may be able to close less than half of all complaints opened before June 1, 2024. Again, as an example, a fifty percent reduction of pre-June 1, 2024, complaints would reduce the current docket to approximately ninety-two (92) open complaints. With one additional investigator, that would result in a staff-to-case ratio of roughly 1 : 31; with two, the ratio improves to 1 : 23. Hiring three additional staff members—which the PEC has consistently identified as necessary—would bring the ratio closer to 1 : 18. While even that figure remains higher than ratios in most comparable jurisdictions, it would significantly enhance the Division’s capacity to allocate appropriate resources to each case. (Of course, new complaints will continue to arrive during this process, meaning actual caseloads will be higher by the end of 2025.)

Following the conclusion of the City’s budget process, PEC staff will reassess this plan to determine the number of closures required to maintain operational capacity.

Ultimately, the addition of at least two investigators and one staff attorney remains essential to ensuring the Division’s long-term sustainability and effectiveness. Without this investment in staff, the PEC will be forced to close well over half of its caseload prior to June 1, 2024 simply to remain functional. With full PEC staffing, the Enforcement Unit may be able to limit that number to less than fifty percent.

6. Proposed Plan:

Based on the plan outlined above, PEC staff present the following general framework. PEC staff adapted these guidelines from January 2023 Policy Directives implemented by the FPPC as well as a December 2020 SFEC Enforcement Unit Case Closure Plan.

1. PEC staff will take all appropriate actions within their discretion to reduce a majority of open complaints originating before June 1, 2024 as quickly as possible, and in no event later than December 31, 2025. The closure of complaints will take due consideration of the factors enumerated above, and will take into account PEC

Enforcement staff resources, including any changes to Enforcement Staffing that may result from the FY25-27 Budget process.

2. Beginning in September 2025, PEC Staff will make progress reports to the Commission on achieving the goals stated in this section, as well as any observations/recommendations staff may have concerning the need for additional strategies/resources to achieve those goals.
3. On a monthly basis, the PEC staff will identify matters opened at least 18 months prior and examine the relative significance of that matter compared to other allegations on caseload docket and evaluate, in light of the evidence gathered to date, the probability of substantiating the allegations.
4. Based on evaluation of complaint status, relative significance, and potential resolution prospects, PEC staff will determine whether to prioritize the matter by focusing investigative efforts there to resolve it within two years or otherwise to close the matter on the basis of the Commission's discretionary factors.

7. Precedents from Other Jurisdictions:

Other California jurisdictions provide context on our caseload but also provide established best practices useful for designing the recommendations outlined in this report. Almost all recommendations in the report have precedent in the policies and procedures of peer agencies, including the California Fair Political Practices Commission^[i], the San Francisco Ethics Commission^[ii], and the Los Angeles Ethics Commission^[iii]. The proposals in this report reflect tested approaches that have proven effective in similarly situated jurisdictions. Adopting them in Oakland would not only align us with regional standards but also strengthen the Commission's ability to manage its caseload effectively and uphold public trust.

All three jurisdictions have used discretionary authority to close investigative matters or to only open investigations based on more serious allegations because of conditions of investigative backlog, under-resourcing, or legal constraint. Where such efforts have been successful, agencies have engaged in the practice through the following: a time-based closure policy (as in San Francisco and with the FPPC), severity of allegations cutoffs (as in Los Angeles), or explicit staff triage procedures (as in San Francisco). This success has depended on clearly articulated closure criteria and structured public reporting.

8. Conclusion:

If no new staff are added, the PEC will need to close well over fifty percent of all open complaints prior to June 1, 2024 just to maintain basic functionality.

If three additional staff members are hired—as has long been recommended—the number of necessary complaint closures prior to June 1, 2024, may drop to less than fifty percent. This would allow PEC staff to retain a greater number of significant complaints and make meaningful progress on long-pending matters.

While even this adjusted model is not ideal, it would represent a critical stabilization point—one that allows for more strategic, timely, and fair enforcement. The planned complaint closures would be a one-time corrective action, with a target of completing them by the end of 2025.

To guide these decisions, staff will apply two standardized rubrics to existing and new complaints, helping determine which complaints should be closed and which should proceed to investigation. This approach is both retroactive and forward-looking, designed not only to address the current backlog but also to prevent a similar complaint closure process from being necessary in the future.

Commission support is essential to the success of this plan. While Enforcement staff retain discretion to implement most aspects of the strategy, the Commission will play a key role in approving case closures at future meetings. Their continued engagement and confidence in staff's process are therefore critical. Public support from the Commission will also lend legitimacy to the approach, reinforce public trust in the Enforcement Unit's work, and promote consistent application of discretion across the caseload. Alignment between staff and Commissioners will help manage expectations and ensure a transparent, unified reset of our enforcement operations.

ii The FPPC has undertaken the most direct and structured precedent to these proposals in recent years for discretionary Enforcement complaint closures under resourcing constraints. In late 2022, FPPC’s Enforcement Unit assessed it didn’t have the capacity to resolve a ballooning volume of older cases with existing staff resources and in turn proposed summarily closing all Enforcement matters more than three years old (provided cases impacted had not yet reached the probable cause stage) citing “insufficient resources and the age of the alleged violations.” (Bridgette Castillo et al., *Enforcement Attorney Input re: The Chair’s Recent Enforcement Policy Goals Proposal*, December 12, 2022.)

The proposal wasn’t publicly adopted in its entirety, but it sparked formal Commission action. Specifically, in early 2023, the FPPC adopted a comprehensive set of Enforcement “Policy Directives” aimed at reducing the FPPC’s complaint backlog. Among these was a directive empowering the Enforcement Chief to take all necessary actions within their discretion to reduce (by seventy-five percent (75%)) FPPC cases opened prior to January 1, 2023, by the end of 2024. Enforcement staff were instructed to prioritize complaint closures based on severity, evidentiary sufficiency, and enforcement viability. (Fair Political Practices Commission. (2023, January 26). *Policy Directives – Enforcement*. <https://www.fppc.ca.gov/enforcement/policy-directives.html>)

The FPPC implemented this policy in its operations through several measures and reported progress to the Commission on a quarterly basis. By the end of 2024, the Commission had reduced pre-2023 cases by more than 80%. Justification for this approach included limited staffing and the need to prioritize active and high-impact Enforcement matters. (Fair Political Practices Commission. The Commission also aimed to decrease the annual carryover caseload to no more than 625 cases. (Fair Political Practices Commission. (2024, January 18). *Executive staff reports: January 18, 2024, Commission hearing*. State of California.)

iii SFEC is probably the closest example to the PEC for local precedent around using the discretionary closure of backlogs under fiscal/staffing constraints. Similar to the FPPC, in 2019 San Francisco undertook a reassessment of its complaint backlog, resulting in the decisive closure of numerous open matters. To do so, the Enforcement Division implemented a standardized rubric to evaluate each complaint individually. Based on these assessments, the Director of Enforcement closed complaints deemed appropriate for dismissal. By the end of 2020, most cases considered low-level or unlikely to lead to prosecution had been closed.

Then, the Commission adopted a formal “Case Closure Plan” for FY 2021. The plan set out a policy requiring that all Enforcement matters be resolved within 24 months of initiation, with special attention to matters already exceeding two years in age.

In practice, the Complaint Closure Plan introduced a two-tiered review structure. First, all investigations exceeding 18 months in duration were subjected to a monthly analysis of priority to assess evidentiary sufficiency, seriousness of the violation, and resource demands. Second, a quarterly full-docket review process, titled the “Enforcement Round Table,” was formed to categorize each complaint for either priority resolution or discretionary closure.

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The plan specifically authorized Enforcement staff to close matters based on discretionary criteria, such as limited agency bandwidth, competing Enforcement priorities, and the improbability of substantiating the violation given available evidence. Over several years, beginning in December 2020/January 2021, the Enforcement Division implemented and actively used this two-tiered review structure to prioritize and close Enforcement cases based on documented criteria. By October 2023, a San Francisco Enforcement Report declared: “At this time, the Enforcement Division has achieved the goals of the Case Closure Plan.”

ⁱⁱⁱ In Los Angeles, it appears, based on recent settlements and commission meeting minutes, that the current practice is to only open investigations into relatively serious allegations. A 2017 LA “Overview of Enforcement Practices” states: “If a complaint provides sufficient detail and alleges violations within the Ethics Commission’s jurisdiction, the Senior Investigator assigns the complaint to an investigator for further review. The assigned investigator seeks to assess the accuracy of the facts alleged in the complaint and determine the likelihood that those facts constitute a violation. This initial review can lead to a full investigation, a referral to another agency, or no action...*The Director of Enforcement determines how to proceed with each complaint.*” In practice, it appears that the discretion given to the Enforcement Chief in LA has meant that only serious allegations have triggered an investigation.



Item 10 - Draft Ballot Measure to Fund the PEC

Francis Opton W, Chair
Tanya Bayeva, Vice Chair
Alea Gage
Ryan Micik
Vincent Steele
Karun Tilak

Nicolas Heidorn, Executive Director

TO: Public Ethics Commission
FROM: Nicolas Heidorn, Executive Director
DATE: May 9, 2025
RE: PEC Revenue-Generating Ballot Measure – Draft Language

At its March 2025 meeting, the Public Ethics Commission (Commission or PEC) discussed options for a potential 2026 revenue-generating ballot measure to provide stable funding for the Commission and its programs. Following that discussion, staff drafted potential parcel tax language that was reviewed by the Revenue Options Ad Hoc Subcommittee.

The proposed measure would establish the “Oakland Anti-Corruption Act,” which would impose a parcel tax (exact amount to be determined) to fully fund the PEC, including an expanded Enforcement Unit and the Democracy Dollars Program, and would enact new prohibitions on lobbyists providing gifts and campaign contributions to City elected officials.

Staff is seeking Commission and public comment on the proposal. Following the May meeting, staff and the Revenue Subcommittee hope to return with a final proposal for adoption by the Commission at its July meeting.

Background

Under Measure W, the Democracy Dollars Program was supposed to be implemented for the 2024 election cycle. However, due to the City’s fiscal situation, the City Council suspended minimum funding requirements for the Democracy Dollars Program in the FY23-25 Budget, reducing the PEC’s budget by more than 50% compared with what was required under Measure W. As a result, the PEC was forced to postpone Program implementation for 2024.

During the FY 24-25 Midcycle budget process, the City Council further reduced the amount of funding available for Democracy Dollars implementation. As part of that midcycle process, the City Council adopted the following directive to the City Administrator:

[D]evelop alternatives for the City Council to achieve full implementation of a fully funded Democracy Dollars program by 2028. The plan should include recommendations for a sustainable funding mechanism to ensure the program's ongoing success. If the analysis fails to identify a suitable funding formula, the City Administrator should present options to either scale back the Democracy Dollars program or propose an alternative program.

In December 2024, the City Administration proposed a revenue-generating parcel tax for the April 2025 Special Election ballot which would have fully-funded all the City's oversight agencies, including the PEC, City Auditor, and Police Commission. The \$130/parcel tax was expected to generate \$23.2 million per year. Thirty-one percent (or \$7.2 million) was allocated to fully fund the PEC, including the Democracy Dollars Program. The City Council declined to place this proposal on the ballot, however, with then Council President Bas expressing concerns that the proposal might draw votes away from a sales tax measure on the April ballot and that the tax proposal would benefit from more policy development.

At its January 2025 meeting, the PEC established the Revenue Options Ad Hoc Subcommittee (Subcommittee) to review and develop options for a potential revenue-generating ballot measure to fully fund the Democracy Dollars Program, Enforcement Unit, and possibly other PEC services. The past several years demonstrated the PEC's extreme vulnerability from being funded solely out of the General Purpose Fund in difficult fiscal years. The goals of pursuing a revenue-generating ballot measure include:

- Ensuring the PEC has stable and sufficient funding to implement its Charter-mandated core services, including Measure W;
- Providing adequate minimum staffing for the Commission's Enforcement Unit, so that the Commission has the resources to timely investigate and resolve allegations of violations of the City's ethics, campaign finance, and transparency laws; and
- Strengthening the Commission's independence as a watchdog agency.

The Subcommittee has been meeting with staff to discuss ballot measure options and has settled on proposing a parcel tax as the best method to provide a stable funding source. At its March meeting, the PEC discussed three potential options for funding Measure W only, Measure W and an expanded Enforcement Unit, or to fully fund the PEC (including an expanded Enforcement Unit). Staff and the subcommittee are advancing for consideration and comment the option to fully fund the Commission. PEC staff previously estimated it would cost \$34/parcel to fully fund the Commission and its operations; however, this amount has not yet been validated by the Department of Finance.

Proposal

This proposal would fully fund the PEC's Programs, including Democracy Dollars and an expanded enforcement unit, and enact new prohibitions on lobbyist gifts and campaign contributions. **The primary unifying purpose of this proposed ballot measure is to strengthen the Commission's role as an anti-corruption agency**, which is why staff is proposing to call the measure the "Oakland Anti-Corruption Act."

The proposal includes new funding to expand the Commission's Enforcement Unit from three staff (1 Enforcement Chief and 2 Investigators) to five staff (exact positions to be determined by the PEC). As the Commission is well aware and as discussed at great length in Enforcement Chief Ackerman's Complaint Backlog Strategy Report for this meeting, the Commission's Enforcement

Unit is severely understaffed compared with caseload. Increasing staffing will improve the Commission's ability to investigate, prosecute, and deter violations alleging government corruption, including bribery, conflict of interest, misuse of position, and campaign money-laundering. PEC staff estimate the Commission needs a minimum of 1 Enforcement Chief, 3 Investigators, and 1 Staff Attorney to address its ongoing caseload and to make significant progress addressing its case backlog.

The proposal also fully funds the Democracy Dollars Program, which is one of Oakland's most ambitious anti-corruption policies, but which was defunded in the last two-year budget cycle and likely will be defunded again in this upcoming cycle. As described in the staff memo for this meeting analyzing a proposal to increase contribution limits, Oakland candidates are heavily reliant on large \$500+ donors, who provide the majority of candidates' funding. Candidate overreliance on major donors and special interests, can create an environment conducive to corruption, where candidates may trade future policy support for campaign support, or create the appearance thereof. By enabling candidates to fund their campaigns from ordinary Oaklanders submitting vouchers, Democracy Dollars will eliminate candidates' need to rely on major donors and special interests almost entirely.

Finally, the proposal also bans lobbyists from giving gifts, campaign contributions, or bundling campaign contributions to candidates and elected officials. These changes will strengthen Oakland's anti-corruption policies and address the risk or appearance that elected officials may trade policy support for political or personal favors, as has been alleged in recent court filings and in the media. (While the Commission should craft policy to respond to public concerns of corruption, Commissioners should not discuss or prejudge any particular allegation of corruption which may potentially come before the Commission for adjudication in the future.) These restrictions model similar policies enacted in San Francisco in response to its own corruption scandals.

In greater detail, the attached draft language does the following:

- Establishes the "Oakland Anti-Corruption Act"
- States that the purpose of the Act is to:
 - "Prevent corruption or its appearance by prohibiting registered lobbyists from providing gifts to elected officials or contributing to the campaigns of elected officials and by providing reliable, dedicated funding for the Public Ethics Commission (PEC or Commission), including fully funding the Democracy Dollars Program and increasing the size of the Commission's enforcement program, so that the Commission may more effectively prevent, deter, and prosecute violations of Oakland's government ethics, campaign finance, lobbying, and other laws."
- Imposes a 20-year parcel tax of \$ ____ [*exact amount to be determined after review by Department of Finance*] to "rais[e] revenue to support and/or strengthen the enforcement program, Democracy Dollars Program, and other programs, services, and operations of the Public Ethics Commission."
- Requires that the funds be spent in the following order of priority:
 - To meet the Commission's minimum staffing requirements under the City Charter.

- To increase the size of the Enforcement Unit to five staff.
- To pay for the mandatory appropriations of the Democracy Dollars Program pursuant to Measure W; and
- For any other legitimate government purpose, consistent with the parcel tax's objectives, in the Commission's discretion.
- Requires that tax proceeds be placed in a special fund, with accrued balances remaining within the fund.
- Adjusts the tax rate annually for inflation, rounded up to the nearest \$0.50.
- Provides that the parcel tax will be automatically placed on the ballot for renewal before its expiration.
- Amends the Lobbyist Registration Act (LRA) to prohibit lobbyists from:
 - Giving gifts of any amount to elected officials or their staff;
 - Contributing to the campaign of a candidate for City office; or
 - Bundling campaign contributions to a candidate for City office.

Parcel Tax

The tax provisions of this proposal are modelled on the Oversight Agencies parcel tax the Administration proposed in December 2024. Most of this language is technical and should not be changed by the Commission. However, some policy considerations include how parcel tax funds should be spent, whether spending decisions should be in the Commission's or Council's discretion, and the duration of the parcel tax.

The draft language prioritizes first funding the PEC's charter mandated positions. Charter Section 603(g) requires that the PEC have 11 staff, unless waived by Council upon finding that the City is experiencing an "extreme fiscal necessity." These positions are: Executive Director, Enforcement Chief, 2 Investigators (the 2nd starting on July 1, 2026), and 7 non-Enforcement staff (including 4 additional FTE's to ensure adequate staffing to implement and administer the Democracy Dollars program).

Next, the language would require that the PEC increase its Enforcement Unit by two staff, bringing total staff to five. The language does not specify which staff, to provide the Commission with discretion to staff according to its evolving needs. However, if enacted, PEC Staff currently anticipate hiring an additional 1 Investigator and 1 Staff Attorney (or comparable position).

Finally, the language requires funding the minimum Democracy Dollars Program appropriations required by Measure W, which includes \$4 million for vouchers and \$350,000 in administrative costs.

Remaining funds could be spent in the Commission's discretion in furtherance of the Commission's objectives. However, since the measure is primarily intended to fund the three priorities identified above, there will likely only be modest remaining funds.

The draft language is for a 20-year parcel tax. Of ten parcel tax proposals in Oakland since 2014, the minimum duration has been for 10 years and the maximum duration has been for 30 years,

with 20 years being the most common duration. A few non-parcel taxes have also been indefinite, including the Soda Tax and recent changes to the Real Estate Transfer Tax and Business Tax.

Lobbying Changes

This proposal would also prohibit lobbyists from giving gifts or campaign contributions to elected officials and prohibit lobbyists from bundling campaign contributions. The lobbyist prohibitions language is modelled on the Commission's previous recommended language to ban lobbyist gifts, as well as similar restrictions in San Francisco. In 2016, San Francisco's Ethics Commission proposed and voters passed Proposition T (87% in favor), which prohibited lobbyist gifts, campaign contributions, and bundled contributions to elected officials. The goal of these prohibitions is to prevent elected officials from being beholden to lobbyists, to prevent officials' private interests from interfering with their duty to assess proposals and act in the public interest. The prohibitions are similar to restrictions found at the state level and in other local jurisdictions.

Oakland currently restricts lobbyists gifts to \$50/year, pursuant to Measure OO (2024). The PEC had previously proposed banning such gifts entirely, but this proposal was rejected by the City Council when it placed Measure OO on the ballot. Other jurisdictions are stricter than Oakland as relates to lobbyist gifts. San Francisco, Los Angeles, and Long Beach ban lobbyist gifts entirely, and the State, San Diego, and Sacramento restrict lobbyist gifts to a maximum of \$10/month.

Oakland does not currently restrict campaign contributions by lobbyists or prohibit bundling. The State, Los Angeles, and San Francisco ban lobbyist campaign contributions, and San Francisco further bans bundling pursuant to Measure T.

Next Steps

Following Commission input, in coordination with the Revenue Subcommittee, PEC Staff will revise the proposal and add findings and declarations ("Whereas..." clauses) to the draft language, with the goal of returning a final proposal by its July meeting. The final proposal will need legal review by the City Attorney's Office and the estimated budget costs and parcel tax amount should be reviewed by the Department of Finance. However, staff has been told by both departments that review prior to budget adoption is unlikely, which may push back our timeline.

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APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE [date] MUNICIPAL ELECTION, AN ORDINANCE TO ADOPT A SPECIAL PARCEL TAX TO FUND THE PUBLIC ETHICS COMMISSION AND TO RESTRICT LOBBYIST GIFTS AND CAMPAIGN CONTRIBUTIONS; REQUESTING CONSOLIDATION OF THE ELECTION WITH THE [DATE] MUNICIPAL ELECTION; AND DIRECTING THE CITY CLERK TO TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE [DATE] MUNICIPAL ELECTION

WHEREAS, the revenues received from the Act will be expended exclusively to fund the operations and programs of the City's Public Ethics Commission (PEC or Commission), which encompasses the Democracy Dollars Program, and related administrative expenses; and now therefore be it

RESOLVED: That the Oakland City Council finds and determines the forgoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED: That the Oakland City Council does hereby submit to the voters, at the [date] Election, an Ordinance that shall read as follows:

The people of the City of Oakland do ordain as follows:

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PART 1. General Provisions

SECTION 1. Title and Purpose.

- A. TITLE: This Ordinance may be cited as the “Oakland Anti-Corruption Act,” and may be referred to herein as “the Act,” “this Ordinance” or “Measure.”
- B. PURPOSE:

The purposes of this Ordinance are to prevent corruption or its appearance by prohibiting registered lobbyists from providing gifts to elected officials or contributing to the campaigns of elected officials and by providing reliable, dedicated funding for the Public Ethics Commission (PEC or Commission), including fully funding the Democracy Dollars Program and increasing the size of the Commission’s enforcement program, so that the Commission may more effectively prevent, deter, and prosecute violations of Oakland’s government ethics, campaign finance, lobbying, and other laws.

SECTION 2. Findings.

This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 *et seq.* (“CEQA”), since in accordance with CEQA Guidelines Section 15061, subd. (b)(3), it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

SECTION 3. Savings Clause.

If any provision, sentence, clause, Section or part of this Act is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall affect only such provision, sentence, clause, Section or part of this Act and shall not affect any of the remaining provisions, sentences, clauses, Sections or parts of this ordinance. It is hereby declared to be the intention of the City, that the City would have adopted this Act had such unconstitutional, illegal or invalid provision, sentence, clause Section or part thereof not been included herein.

If any tax or surcharge imposed by this Act is found to be unconstitutional, illegal or invalid, the amounts, services, programs and personnel required to be funded from such taxes and surcharges shall be reduced proportionately by any revenues lost due to such unconstitutionality, illegality or invalidity.

SECTION 4. Severability.

If any provision of this Act, or part of this Act, or the application of any provision or part to any person or circumstances, is for any reason held to be invalid, the remaining provisions, or applications of provisions, shall not be affected, but shall remain in full force and effect, and to this end the provisions of this measure are severable. If a court were to find in a final, unreviewable judgment that the exclusion of one or more entities or activities from the applicability of the Act renders the Act unconstitutional, those exceptions should be severed, and the Act should be made

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applicable to the entities or activities formerly exempt from the Act. It is the intent of the voters that this Act would have been enacted regardless of whether any invalid provision had been included or any invalid application had been made.

SECTION 5. Liberal Construction.

This Act shall be liberally construed to effectuate its purposes.

SECTION 6. Conflicting Initiatives.

- A. In the event that this measure and one or more conflicting measures appear on the same City ballot, the provisions of the measure that receives the greatest number of affirmative votes shall prevail in their entirety, and the other measure or measures shall be null and void.
- B. If this measure is approved by the voters but superseded by law by any other conflicting measure approved by voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force and effect.

PART 2. Lobbying Restrictions

SECTION 1. Purpose.

To prevent corruption or its appearance, and to increase public confidence in the fairness and responsiveness of governmental decision making, it is the purpose and intent of the people of Oakland to prohibit gifts, campaign contributions, and bundled campaign contributions from lobbyists to City officers so that governmental decisions are not, and do not appear to be, influenced by the giving of personal benefits to City officers by lobbyists, or by lobbyists' financial support of City officers' political interests.

SECTION 2. Repeal and Reenactment of Oakland Municipal Code, Section 3.20.180.

Oakland Municipal Code, Section 3.20.180, *Restrictions on payments and expenses benefitting local public officials, candidates for local office, designated employees and immediate families*, is hereby repealed and reenacted as follows with deleted text shown as ~~striketrough~~ and new text shown as underscored.

3.20.180 - Restrictions on payments and expenses benefiting local public officials, candidates for local office, designated employees and immediate families.

A. No local governmental lobbyist's registered client shall make any payment or incur any expense that directly benefits an elected City officeholder, candidate for elected City office, a designated employee, or a member of the immediate family of one (1) of these individuals, in which the cumulative value of such payments or expenses exceeds two hundred ~~forty~~ fifty dollars (~~\$240.00~~\$250.00) during any calendar year.

B. No local governmental lobbyist shall make any payment or incur any expense that directly benefits a designated employee, or a member of the immediate family of a designated employee, in which the cumulative value of such payments or expenses exceeds two hundred ~~forty~~ fifty dollars (~~\$240.00~~\$250.00) during any calendar year.

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C. No local governmental lobbyist shall make any payment **of any amount** or incur any expense **of any amount** that directly benefits an elected City officeholder, a designated employee who is an employee of an elected City officeholder, a candidate for elected City office, or a member of the immediate family of one (1) of these individuals ~~in which the cumulative value of such payments or expenses exceeds fifty dollars (\$50.00) during any calendar year.~~

D. The payments and expenses specified in subsections (A) through (C) include gifts, honoraria and any other form of compensation but do not include (1) campaign contributions; (2) payments or expenses that, within thirty (30) days after receipt, are returned unused or are reimbursed; (3) food, beverages or occasional lodging provided in the home of an individual local governmental lobbyist or individual local governmental lobbyist's registered client when the individual or member of the individual's family is present; (4) a pass or ticket to a fundraising event for a campaign committee or candidate, or for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; (5) a pass or ticket given to a public agency and which meets the provisions of 2 Cal. Code of Regs. No. 18944. 1 (a) through (e), inclusive; (6) informational material; and (7) salaries, consulting fees or other payments for services rendered or bargained for. No other exception to, or exclusion from, the definition of gift or honoraria contained in the Political Reform Act of 1974 as amended, and the regulations issued pursuant thereto, shall apply to this Section.

SECTION 3. Addition of Oakland Municipal Code, Section 3.20.185.

Oakland Municipal Code, Section 3.20.185, *Prohibition on providing or bundling campaign contributions to local public officials and candidates for local office*, is hereby enacted as follows.

3.20.185 – Prohibition on providing or bundling campaign contributions to local public officials and candidates for local office.

A. No local governmental lobbyist shall make any campaign contribution to an elected City officeholder or candidate for elected City office.

B. No local governmental lobbyist shall deliver or transmit, or deliver or transmit through a third party, any campaign contribution made by another person to any elected City officeholder or candidate, or any City elective officer's or candidate's controlled committees.

C. For the purposes of this section, a campaign contribution includes a contribution to an elected City officeholder's officeholder expense fund.

PART III. Parcel Tax General Provisions.

SECTION 1. Purpose.

The taxes imposed under this Ordinance are solely for the purpose of raising revenue to support and/or strengthen the enforcement program, Democracy Dollars Program, and other programs, services, and operations of the Public Ethics Commission (Commission).

This parcel tax revenue would ensure the Commission has dedicated, reliable funding to fulfill its legally mandated responsibilities and would also strengthen the Commission's independence by removing the City Council's discretion, as to the funds raised through this parcel tax, to eliminate, reduce, or change the allocation of funding for the Commission's programs or operations, or to determine the Commission's staffing.

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SECTION 2. Use of Proceeds.

A. Objectives. The tax proceeds raised by this special tax may be used only to pay for any costs or expenses of the Commission. The goals of these tax proceeds include the following desired outcomes and objectives:

1. Ensuring the Commission's minimum staffing requirements under Charter Section 603 are met and that the Commission has a sufficient budget to fulfill its functions and duties as set forth in the City Charter and Oakland Municipal Code.
2. Increasing the staffing for the Commission's enforcement program so that it can fairly, effectively, and expeditiously investigate and, where appropriate, prosecute violations of the laws the Commission enforces.
3. Providing predictable and permanent funding of the Democracy Dollars Program.
4. Strengthening the independence of the Commission by providing the Commission with independent funding.
5. Supporting, enhancing, or increasing the programs or services provided by the Commission to better enable it to fulfill its purposes as described in Charter Section 603(a).

B. Allocation.

Except as provided in subsection (D) of this Section and Section 9 of this Part, the City Council shall appropriate the entirety of the proceeds of the special tax as discretionary funding to the Commission during the budget process or by resolution.

C. Uses.

The Commission shall expend the tax revenue collected pursuant to the special taxes imposed herein only for the following purposes, in order of priority:

1. To meet the Commission's minimum staffing requirements in Section 603 of the City Charter.
2. To hire two full time equivalent (FTE) enforcement staff, which shall be in addition to the two (2) Ethics Investigators and one (1) Enforcement Chief mandated under Charter Section 603(g);
3. To pay for the mandatory appropriations of the Democracy Dollars Program itemized in Oakland Municipal Code (OMC) Section 3.15.060(A) and (D), as adjusted for inflation; and
4. To make expenditures for any other legitimate government purpose that is consistent with the objectives in subsection (A). Among other uses, remaining revenue may be used to hire staff or consultants, for operations and maintenance, and to pay for contracts.

The expenditures of the tax proceeds, consistent with these purposes, shall be in the Commission's sole discretion.

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D. Authorized Uses of Tax Revenues. Except as otherwise expressly authorized by this Ordinance, the special tax authorized and collected pursuant to this Ordinance shall be used only for the purposes set forth in this Section.

SECTION 3. Financial Report & Audit

Financial Report. The City shall comply with the reporting requirements set forth in California Government Code sections 50075.1 and 50075.3. At least every four years, the City Auditor shall perform an audit to ensure accountability and proper disbursement of all revenue collected by the City from the special tax imposed by this Ordinance, in accordance with the objectives stated herein and in compliance with provisions of State Law.

SECTION 4. Special Fund.

A. Special Fund. All funds collected by the City from the special tax imposed by this Ordinance shall be deposited into a special fund in the City treasury and appropriated and expended only for the purposes and uses authorized by this Ordinance.

B. Fund Balance. Any fund balance accrued shall remain within the designated fund.

SECTION 5. Term of Tax Imposition.

The parcel tax enacted by this Ordinance shall be imposed and levied for a period of Twenty (20) years. The City shall place delinquencies on subsequent tax bills.

SECTION 6. Regulations.

The City Administrator, with the consent of the Commission, may promulgate appropriate regulations to implement the provisions of this Act, except as to Part 2.

SECTION 7. Tax Increases.

Except as otherwise expressly provided herein, the tax rates set forth herein may not be increased by action of the City Council without the applicable voter approval.

SECTION 8. Challenge to Tax.

Any action to challenge the tax imposed by this ordinance shall be brought pursuant to Government Code section 50077.5 and Code of Civil Procedure section 860 et seq.

SECTION 9. Reimbursement.

At the discretion of the City Council, special tax revenues collected by the City pursuant to this Ordinance may be used to reimburse the City for actual costs incurred in connection with the election seeking voter approval of this Ordinance.

SECTION 10. Effective Date.

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- (A) The tax imposed by this Ordinance shall be effective only if approved by the voters voting thereon and shall go into effect ten (10) days after the vote is declared by the City Council.
- (B) At the last general election prior to the expiration of the taxes enacted by this Ordinance, Parts 1, 3, and 4 of this Act shall be placed on the ballot at that general election for voters to decide whether to renew the tax indefinitely at the applicable inflation-adjusted tax rates. If the tax is renewed, the City Council shall continue to adjust parcel tax rates for inflation as provided for in this Act.

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PART 4. Parcel Tax

SECTION 1. Definitions.

For purposes of this Part 4 only, the following terms shall be defined as set forth below:

- A. "Building" shall mean any structure having a roof supported by columns or by walls and designed for the shelter or housing of any person, chattel, or property of any kind. The word "Building" includes the word "structure."
- B. "City" shall mean the City of Oakland, California.
- C. "Family" shall mean one (1) or more persons related by blood, marriage, domestic partnership, or adoption, legal guardianship, who are living together in a single residential unit and maintaining a common household. Family shall also mean all unrelated persons who live together in a single Residential Unit and maintain a common household.
- D. "Hotel" shall be as defined by Oakland Municipal Code Section 4.24.020.
- E. "Multiple Residential Unit Parcel" shall mean a parcel zoned for a Building, or those portions thereof, that accommodates or is intended to contain two (2) or more residential units, whether or not developed.
- F. "Non-Residential" shall mean all parcels that are not classified by this Act as Single Family Residential or Multiple Residential Unit Parcels, and shall include, but not be limited to, parcels for industrial, commercial and institutional improvements, whether or not developed.
- G. "Occupancy" shall be as defined by Oakland Municipal Code Section 4.24.020.
- H. "Operator" shall be as defined by Oakland Municipal Code Section 4.24.020.
- I. "Owner" shall mean the Person having title to real estate as shown on the most current official assessment role of the Alameda County Assessor.
- J. "Parcel" shall mean a unit of real estate in the City of Oakland as shown on the most current official assessment role of the Alameda County Assessor.
- K. "Person" shall mean an individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.
- L. "Possessory Interest" as it applies to property owned by any agency of the government of the United States, the State of California, or any political subdivision thereof, shall mean possession of, claim to, or right to the possession of, land or Improvements and shall include any exclusive right to the use of such land or Improvements.
- M. "Residential Unit" shall mean a Building or portion of a Building designed for or occupied exclusively by one Family.
- N. "Single Family Residential Parcel" shall mean a parcel zoned for single-family residences, whether or not developed.
- O. "Tax" shall mean the parcel tax created by this Act and further described in Part 4, Section 2, below.

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- P. “Transient” shall mean any individual who exercises Occupancy of a Hotel or is entitled to Occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any individual so occupying space in a Hotel shall be deemed to be a Transient until the period of thirty (30) consecutive days has elapsed.

SECTION 2. Imposition of Parcel Tax.

There is hereby imposed a special tax on all Owners of parcels in the City of Oakland for the privilege of using municipal services and the availability of such services. The tax imposed by this Section shall be assessed on the Owner unless the Owner is by law exempt from taxation, in which case, the tax imposed shall be assessed to the holder of any Possessory Interest in such parcel, unless such holder is also by law exempt from taxation. The tax is imposed as of July 1 of each year on the person who owned the parcel on that date. The tax shall be collected at the same time, by the same officials, and pursuant to the same procedures as the one percent imposed pursuant to Article XIII A of the California Constitution.

The tax hereby imposed shall be set as follows subject to adjustment as provided in Section 4 of this Act:

- A. For owners of all Single-Family Residential Parcels, the tax shall be at the annual rate of \$ [redacted] per Parcel.
- B. For owners of all Multiple Residential Unit Parcels, the tax shall be at the annual rate of \$ [redacted] per Residential Unit.
- C. The tax for Non-Residential Parcels is calculated using both frontage and square footage measurements to determine total single-family residential unit equivalents (SFE). A frontage of eighty (80) feet for a commercial institutional parcel, for example, is equal to one (1) single family residential unit equivalent. (See matrix.) An area of six thousand four hundred (6,400) square feet for the commercial institutional parcel is equal to one (1) single family residential unit equivalent. For tall buildings (more than five (5) stories), the single-family residential unit equivalent computation also includes one (1) single family residential unit equivalent for every five thousand (5,000) square feet of net rentable area. The tax is the annual rate of \$ [redacted] multiplied by the total number of single-family residential unit equivalents (determined by the frontage and square footage).

LAND CATEGORY	USE	FRONTAGE	AREA (SF)	BUILDING AREA (SF)
Commercial/Institutional		80	6,400	N/A
Industrial		100	10,000	N/A

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Public Utility	1,000	100,000	N/A
Golf Course	500	100,000	N/A
Quarry	1,000	250,000	N/A
Tall Buildings > 5 stories	80	6,400	5,000

Example: assessment calculation for a Commercial Institutional Parcel with a Frontage of 160 feet and an Area of 12,800 square feet:

Frontage 160 feet + 80 = 2 SFE

Area 12,800 square ÷ feet 6,400 = 2 SFE

2 SFE + 2 SFE = 4 SFE

4 SFE x \$130.00 = \$520.00 tax

- D. The tax imposed by this Act shall be imposed on each Hotel within the City as follows:
1. Residential Hotels. Rooms in a Hotel occupied by individuals who were not Transients for eighty percent (80%) or more of the previous fiscal year shall be deemed Residential Units and the parcel on which they are located shall be subject to the Parcel tax imposed on Multiple Residential Unit Parcels. The remainder of the Building shall be subject to the applicable tax computed in accordance with the single-family residential unit equivalent formula set forth in Section 2(c) of this Act.
 2. Transient Hotels. Notwithstanding paragraph (1) of this subdivision, if eighty percent (80%) or more of the Operator's gross receipts for the previous Fiscal Year were reported as rent received from Transients on a return filed by the Operator in compliance with Section 4.24.010 of the Oakland Municipal Code (commonly known as the Uniform Transient Occupancy Tax of the City of Oakland), such Hotel shall be deemed a Transient Hotel. The entire Building shall be deemed a Non-Residential Parcel, categorized as commercial/institutional, and shall be subject to the applicable tax computed in accordance with the single-family residential unit equivalent formula set forth in Section 2(c) of this Act, and the parcel tax imposed on Multiple Residential Units shall not apply.

SECTION 3. Exemptions.

- A. Very-Low income household exemption. The following is exempt from this tax: an Owner of a Single-Family Residential Unit (1) who resides in such unit and (2) whose combined family income, from all sources for the previous year, is at or below the income level qualifying as sixty percent (60%) of area median income for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.), or successor legislation, for such year. The

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Director of Finance shall set forth procedures for annual applications from Owners for the exemption, which may require information such as federal income tax returns and W-2 forms of owner occupants eligible for the exemption, or procedures for an alternative process.

- B. Senior household exemption. The following is exempt from this tax: an Owner of a single family residential unit (1) who resides in such unit, (2) who is sixty-five (65) years of age or older and (3) whose combined family income, from all sources for the previous year, is at or below the income level qualifying as eighty percent (80%) of area median income for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.), or successor legislation, for such year. The Director of Finance shall set forth procedures for annual applications from Owners for the exemption, which may require information such as federal income tax returns and W-2 forms of owner occupants eligible for the exemption, or procedures for an alternative process.
- C. Fifty percent reduction for affordable housing projects. Rental housing owned by nonprofit corporations and nonprofit-controlled partnerships for senior, disabled and low-income households that are exempt from ad valorem property tax pursuant California Revenue and Taxation Code 214(f), (g) and (h) shall be liable for only 50% of the parcel tax. The exemption shall apply in the same proportion that is exempted from ad valorem property tax.
- D. Rebate to tenants in foreclosed single-family homes. The City will provide a rebate of one-half (1/2) of the tax and subsequent increases thereto to tenants in single family homes that have been foreclosed upon who have paid a passed through Parcel Tax. To qualify for this rebate, a tenant must: (1) have lived in the unit before foreclosure proceedings commenced; and (2) be at or below the income level qualifying as sixty percent (60%) of area median income for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.), or successor legislation, for such year. The City will provide this rebate for every month that the tax was applied, and the tenant occupied the unit. The City will provide this rebate at the end of each year, or when the tenant vacates the unit, whichever is earlier. The City Administrator will promulgate regulations to effectuate this subdivision.
- E. Real property owned by a religious organization or school that is exempt from property taxes under California law is exempt from this tax. To qualify for this exemption, each religious organization or school seeking such exemption shall submit such information required to determine eligibility for such exemption.

SECTION 4. Reduction in Tax Rate; Rate Adjustment.

- A. Subject to paragraph (B) of this section, the tax rates imposed by this Ordinance are maximum rates and may not be increased by the City Council above such maximum rates.
- B. Beginning for the Fiscal Year 2027-2028, and each year thereafter, the City Council shall increase the special parcel tax imposed by the percentage change in the cost of living in the immediate San Francisco Bay Area, as determined by the twelve-month (12) Annual Percentage Change in the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the U.S. Department of Labor Statistics. The applicable parcel tax

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rate shall be rounded up to the nearest \$0.50 increment.

SECTION 5. Duties of the Director of Finance; Notice of Decisions.

It shall be the duty of the Director of Finance to collect and receive all taxes imposed by this Act. Except for **Part 2**, the Director of Finance is charged with the enforcement of this Act and may adopt rules and regulations relating to such enforcement.

SECTION 6. Examination of Books, Records, Witnesses; Penalties.

The Director of Finance or the Director of Finance's designee is hereby authorized to examine assessment rolls, property tax records, records of the Alameda County Recorder and any other records of the County of Alameda deemed necessary in order to determine ownership of Parcels and computation of the tax imposed by this Act.

The Director of Finance or the Director of Finance's designee is hereby authorized to examine the books, papers and records of any person subject to the tax imposed by this Act, including any person who claims an exemption, for the purpose of verifying the accuracy of any petition, claim or return filed and to ascertain the tax due. The Director of Finance, or the Director of Finance's designee is hereby authorized to examine any person, under oath, for the purpose of verifying the accuracy of any petition, claim or return filed or to ascertain the tax due under this Act and for this purpose may compel the production of books, papers and records, whether as parties or witnesses, whenever the Director of Finance believes such persons have knowledge of such matters. The refusal of such examination by any person subject to the tax shall be deemed a violation of this Act and of the Oakland Municipal Code and subject to any and all remedies specified therein.

SECTION 7. Collection of Tax; Interest and Penalties.

The tax shall be delinquent if the City does not receive it on or before the delinquency date set forth in the notice mailed to the Owner's address as shown on the most current assessment roll of the Alameda County Tax Collector; and the tax shall be collected in such a manner as the City Council may decide. The City may place delinquencies on a subsequent tax bill.

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A one-time penalty at a rate set by the City Council, which in no event shall exceed twenty-five percent (25%) of the tax due per fiscal year, is hereby imposed by this Act on all taxpayers who fail to timely pay the tax provided by this Act. In addition, the City Council may assess interest at the rate of one percent (1%) per month on the unpaid tax and the penalty thereon.

Every penalty imposed and such interest as accrues under the provisions of this Act shall become a part of the tax herein required to be paid.

The City may authorize the County of Alameda to collect the taxes imposed by this Act in conjunction with and at the same time and in the same manner as the County collects property taxes for the City. If the City elects to authorize the County of Alameda to collect the tax, penalties and interest shall be those applicable to the nonpayment of property taxes.

SECTION 8. Collection of Unpaid Taxes.

The amount of any tax, penalty, and interest imposed under the provisions of this Act shall be deemed a debt to the City. Any person owing money under the provisions of this Act shall be liable to an action brought in the name of the City for the recovery for such amount.

SECTION 9. Refund of Tax, Penalty, or Interest Paid More than Once, or Erroneously or Illegally Collected.

Whenever the amount of any tax, penalty, or interest imposed by this Act has been paid more than once or has been erroneously or illegally collected or received by the City it may be refunded provided a verified written claim for refund, stating the specific ground upon which such claim is founded, is received by the Director of Finance within one (1) year of the date of payment. The claim shall be filed by the person who paid the tax or such person's guardian, conservator, or the executor of her or his estate. No representative claim may be filed on behalf of a taxpayers or a class of taxpayers. The claim shall be reviewed by the Director of Finance and shall be made on forms provided by the Director of Finance. If the claim is approved by the Director of Finance, the excess amount collected or paid may be refunded or may be credited against any amounts then due and payable from the person from whom it was collected or by whom paid, and the balance may be refunded to such person, or such person's administrators or executors. Filing a claim shall be a condition precedent to legal action against the City for a refund of the tax; and be it,

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FURTHER RESOLVED: That the City Council of the City of Oakland does hereby request that the Board of Supervisors of Alameda County order the consolidation of all City of Oakland Special Municipal elections to be held on [date]; and be it,

FURTHER RESOLVED: That the consolidated municipal elections shall be held and conducted in the manner required in Section 10418 of the California Elections Code; and be it

FURTHER RESOLVED: That in accordance with applicable law, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance, and said date shall be posted in accordance with legal requirements; and be it,

FURTHER RESOLVED: That each ballot used at said election shall have printed therein, in addition to any other matter required by law, the following:

AN ORDINANCE

<p>Measure ____.</p> <p>Shall the ordinance, establishing the Oakland Anti-Corruption Act which would fund the Public Ethics Commission and its programs, add additional enforcement staff to the Commission to investigate allegations of government corruption and campaign finance law violations, and prohibit lobbyists from giving gifts or campaign contributions to elected officials, and which is funded by a \$____ parcel tax for 20 years raising approximately \$____ million annually, with exemptions for low-income households and others, be adopted?</p> <p>[FINAL BALLOT QUESTION SUBJECT TO CITY ATTORNEY APPROVAL]</p>	<p>Yes</p>	
	<p>No</p>	

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the “City Clerk”) at least 88 days prior to the special municipal election, to file with the Alameda County Clerk certified copies of this resolution; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Board of Supervisors of Alameda County include on the ballots and sample ballots recitals the measure language to be voted on by the voters of the City of Oakland; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Oakland, Chapter 3.08 of the Oakland Municipal Code, and state law; and be it

FURTHER RESOLVED: That the City Attorney, in accord with the City Attorney's powers and duties is hereby authorized to insert the final ballot question into this resolution after adoption by the Council so that the ballot question constitutes a true and impartial synopsis of the

Item 10 - Draft Ballot Measure to Fund the PEC

final proposed measure; and to make any changes to the texts of the measure as described herein to conform to any legal requirements or requirements of the County Registrar; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Registrar of Voters of the County of Alameda perform necessary services in connection with said election; and be it

FURTHER RESOLVED: That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the special municipal election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the special municipal election.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES -

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED

City Clerk and Clerk of the Council of the
City of Oakland, California

Item 11 - 4-25-25 Revenue Options Ad Hoc Subcommittee Minutes

Minutes

Revenue Options Ad Hoc Subcommittee

(ad hoc, created January 29, 2025)

Members: Francis Upton IV (Chair), Ryan Micik, Alea Gage

April 25, 2025 Minutes

Attendees – Members: Commissioners Upton IV, Micik, Gage

Attendees – Staff: Director Nicolas Heidorn

Discussion

- The Subcommittee reviewed and suggested changes to draft revenue measure language produced by staff, which included:
 - Full funding for the PEC, including an expansion to the Enforcement Unit and full funding of Measure W
 - Additional anti-corruption provisions relating to lobbying, including a ban on lobbyist gifts, campaign contributions, and bundled contributions to elected officials and candidates
- The subcommittee asked staff to follow-up on:
 - A survey of the duration of recent Oakland taxes
 - How lobbyist gift bans are implemented in other jurisdictions
- The subcommittee agreed to have the measure come back before the full Commission at the May meeting as a discussion item