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June 27, 2016

OFFICE OF THE MAYOR
HONORABLE CITY COUNCIL
CITY ADMINISTRATOR
CITY ATTORNEY
CITIZENS OF OAKLAND
OAKLAND, CALIFORNIA

RE: Performance Audit of the City of Oakland Rent Adjustment Program

Dear Mayor Schaaf, President McElhaney, Members of City Council, City Administrator Landreth and Oakland Citizens:

Over the past four years, Oakland has seen tremendous growth in jobs and opportunities for its citizens. And yet, housing has not kept up with this pace and home prices and residential rental rates have increased to the point that many Oaklanders can no longer afford to live in this city – a city in which the majority of its residents are renters.

The Rent Adjustment Ordinance was adopted in 1980 by the Oakland City Council to provide stable housing to tenants and to encourage investment in residential rental properties. Since then, there have been amendments to further strengthen tenant protections.

The objective of this audit was to confirm that efficiencies are utilized to enhance the process and that appropriate controls are in place so that the Rent Adjustment Program (RAP) is successful in meeting its intended goals—to administer the Rent Adjustment Ordinance that promotes relief to Oakland residents and limits rent increases and promotes investment in residential rental housing.

The audit provides for recommendations that are intended to assist the City in supporting the RAP and developing action plans for improvement. Specifically, our recommendations call for timely appointments of vacant positions on the Rent Board, a formal training program for Rent Board members, and a broader outreach and education program to tenants and landlords that leverages newer technologies and embraces the City's commitment to transparency.

The audit recommends changes to the Rent Program fee, proposing to increase the fee to be between \$63 to \$70 per unit per year. This recommendation is contingent upon the City Administrator's thorough review of the listing of residential rental properties in Oakland, to determine accurate billings of rental properties covered under the RAP and Just Cause Ordinances.

Other recommendations relate to budget monitoring, review of workflow processes, upgrading city offices to be better suited for public hearings, review of resource needs and ordinance redundancies to achieve greater efficiencies, and the institution of a quality review program.

I want to express our appreciation to the Oakland Housing & Community Development Director and her staff for their cooperation during this audit and to their commitment to the mission and goals of the Rent Adjustment Program.

I am most appreciative of the work conducted by the students assigned to this project under the UC Berkeley Goldman School of Public Policy's Introduction to Policy Analysis class. Their contributions to the audit's recommendations for public outreach are thoughtful, comprehensive and forward-thinking.

Respectfully submitted,



BRENDA D. ROBERTS
City Auditor

Enclosure

cc: Michele Byrd, Director, Housing & Community Development
Margaret O'Brien, Interim Director, Department of Revenue
Kirsten LaCasse, Interim Controller