

Ethics Commission

September 13, 2024

Mr. Chris Cate
Affordable Homes for San Diego lead by Chris Cate – Yes on Measure C
7185 Navajo Road, Suite J
San Diego, CA 92119

SENT VIA-EMAIL

Re: Affordable Homes for San Diego lead by Chris Cate – Yes on Measure C
(ID # 1454661)

Dear Mr. Cate:

The Ethics Commission audit of the above-referenced committee is now concluded, and the Final Audit Report is enclosed. This report was delivered to the Ethics Commission at its regularly-scheduled meeting held on September 12, 2024. Although the report reflects one material finding, the Commission does not believe that the finding warrants an additional administrative remedy. In summary, the Commission determined that education was more appropriate than enforcement in this situation. As a result, the Commission voted to accept the report and take no further action.

Sincerely,

[REDACTED]

Rosalba Gomez
Audit Program Manager

Enclosure

cc: Ms. C. April Boling, Treasurer
7947 Hemingway Avenue
San Diego, CA 92120

FINAL AUDIT REPORT

September 3, 2024

Mr. Chris Cate

Affordable Homes for San Diego lead by Chris Cate – Yes on Measure C

7185 Navajo Road, Suite J

San Diego, CA 92119

Treasurer: C. April Boling
7947 Hemingway Avenue
San Diego, CA 92120

SAN DIEGO ETHICS COMMISSION AUDIT REPORT:

Affordable Homes for San Diego lead by Chris Cate – Yes on Measure C

I. Introduction

This Audit Report contains information pertaining to the audit of the committee, Affordable Homes for San Diego lead by Chris Cate – Yes on Measure C, Identification Number 1454661 (“the Committee”) for the period from September 21, 2022, through December 30, 2022. The Committee was selected for audit by a designee of the City Clerk in a random drawing conducted at a public meeting of the Ethics Commission held on September 14, 2023. The audit was conducted to determine whether the Committee materially complied with the requirements and prohibitions imposed by the City of

San Diego’s Election Campaign Control Ordinance (San Diego Municipal Code Chapter 2, Article 7, Division 29). The Election Campaign Control Ordinance (ECCO) has been amended on several occasions; all Municipal Code references in this report relate to the provisions of ECCO that were in effect at the time of the actions described herein.

During the period covered by the audit, the Committee reported total contributions of \$690,263.59 (inclusive of \$12,763.69 in non-monetary contributions) and total expenditures of \$677,500.00. **The audit revealed one material finding: the committee failed to send a notification of cumulative contributors of \$10,000 or more, in violation of San Diego Municipal Code section 27.2975.**

II. Committee Information

On September 29, 2022, the Committee filed a Statement of Organization with the San Diego City Clerk indicating that it qualified as a committee. The Committee was formed to support

Measure C (Removing 30-Foot Height Limit in Midway-Pacific Highway Community Plan Area) in the November 8, 2022 Municipal General Election. On December 30, 2022, the Committee filed a Statement of Termination indicating that its filing obligations were completed on December 30, 2022. The Committee's treasurer was C. April Boling.

III. Audit Authority

The Commission is mandated by San Diego Municipal Code section 26.0414 to audit campaign statements and other relevant documents to determine whether campaign committees comply with applicable requirements and prohibitions imposed by local law.

IV. Audit Scope and Procedures

This audit was performed in accordance with generally accepted auditing standards. The audit involved a thorough review of the Committee's records for the time period covered by the audit. This review was conducted to determine:

1. Compliance with all disclosure requirements, pertaining to contributions, expenditures, accrued expenditures, and loans, including itemization when required;
2. Compliance with applicable filing deadlines;
3. Compliance with restrictions on contributions, loans and expenditures;
4. Accuracy of total reported receipts, disbursements and cash balances as compared to bank records; and
5. Compliance with all record-keeping requirements.

V. Summary of Applicable Law

Section 27.2975 – Major Funding of Primarily Formed Recipient Committees

(a) Every *primarily formed recipient committee* shall notify the City of San Diego Ethics Commission within three business days of receiving *contributions* cumulatively totaling \$10,000 or more from a single contributor. The notice shall be sent by email and include:

- (1) the committee's full name and identification number;
- (2) the contributor's name; and
- (3) if the contributor is a *primarily formed recipient committee* or a *general purpose recipient committee*, the contributor's identification number.

....

VI. Material Findings

SDMC section 27.2975 requires committees formed to support or oppose candidates for elective office or ballot measures to send an email to the Ethics Commission within three days of receiving contributions cumulatively totaling \$10,000 or more from a single contributor. The email should include the committee's full name, identification, the contributor's name, and the identification number if the contributor is a primarily formed recipient committee or general

purpose recipient committee. The Ethics Commission uses the disclosures to post on its website readily accessible information concerning the major sources of funding to committees formed to support and oppose City candidates and measures.

The Committee received cumulative contributions of \$10,000 or more from various contributors. A review of Ethics Commission email records found that the Committee did not send email notifications for the following contribution totaling \$10,000 or more from a single contributor.

Date	Contributor	Amount
10/12/22	Community Voices	\$ 12,763.59

According to Committee representatives, the contributor email omission was an unintentional error. The Committee failed to adhere to the purpose and intent of the email disclosure requirement, which is to provide the public with the names of major donors.

At the post-audit conference held on August 20, 2024, the Committee representatives asserted that its notification omission was unintentional and that its overall actions evidence its intent to substantially comply with applicable regulations.

VII. Conclusion

Through the examination of the Committee’s records and campaign disclosure statements, the Auditor verified that the Committee timely disclosed all contributions received and all expenditures made, and that the Committee maintained all necessary documentation regarding contributions and expenditures in accordance with disclosure and record-keeping provisions of ECCO. **However, the audit revealed the following material finding: the committee failed to send a notification of cumulative contributors of \$10,000 or more, in violation of San Diego Municipal Code section 27.2975.**

[REDACTED]

Rosalba Gomez
Audit Program Manager

Date

[REDACTED]

Sharon Spivak
Executive Director

Date