Prioritizing Community Values in Capital Budgeting

A Case Study from the City of Oakland   ■ BY ELLIOT KARL

Decisions made at the government level have far-reaching effects on citizens and communities, and budget managers must understand them to make continued progress toward advancing equity. Here's a look at how the City of Oakland confronted the challenge.

Over the past year, many communities have started to understand the ways in which local policies have the potential to affect communities. Whether it be policies on imposed fees and fines, zoning or land use regulations, economic development incentives, or policing strategies, there is potential for disadvantaged neighborhoods and select demographics to face challenges not found in the larger population. As a result, an increasing number of local officials are re-evaluating the equity impacts of their operations and investments— and often within programs historically managed by technical experts.

The capital budget, which funds infrastructure construction, rehabilitation, and maintenance, is one such program. Although capital investment decisions are often made among analysts, engineers, and asset managers, they have real social impacts: raising local property values, reducing injury, and developing public spaces that provide a wealth of community benefits. Failing to consider equity impacts in these programs threatens to perpetuate inequality, leading many budget managers to wonder how we can put our equity values to work in capital planning and budget development.

Luckily, other budget managers have already confronted this challenge. The City of Oakland, California, was the first government in the United States to include racial equity as a formal (by council resolution) scoring criteria applied universally to all capital projects, regardless of asset type. On June 24, 2019, their city council adopted a 2020-25 capital improvement program (CIP), which in a significant divergence from past practice was created using an updated development methodology that sought to "identify and prioritize community values" in addition to standard, asset-based considerations such as infrastructure conditions, regulatory mandates, and project readiness. Within the new CIP development methodology, great care was taken to center a racial equity analysis in the design of an inclusive public engagement strategy and capital project prioritization system to address racial and social inequities in the city.

The following case study from Oakland highlights how one local government began to reimagine its standard procedures to address caustic social inequity, between fall 2017 and 2018. Reflections from the CIP Working Group highlight how this endeavor required a strong commitment to humility, creativity, and accountability to the public. It is organized into four broad themes:

1 | internal working structure
2 | inclusive public engagement
3 | analytics and prioritization
4 | continuous learning.

Although other governments that are interested in adopting an equity-focused CIP methodology might have to navigate unique political, budgetary, and social environments, many aspects of this city's process could be adapted to pursue similarly transformative endeavors.

BACKGROUND
Demographics, division, divestment

Oakland is the third largest city in the San Francisco Bay Area and boasts a thriving arts community, beautiful natural environment, and rich cultural amenities. Fueled by the rapid growth of the region's technology sector, the East Bay's economy had exploded by the time the first CIP developed using this methodology was adopted in summer 2019. The unemployment rate hovered around three percent even though the city's population had grown by more than 9.8 percent since 2010 (to more than 429,000 people in 2018), and major technology companies were now occupying once-shuttered downtown real estate. As a result of this economic growth, the cost of living had risen dramatically, with a 79.4 percent median rent increase (average among all units), from $1,695 in 2011 to $3,040 in 2019.

Unfortunately, the benefit and burden of growth has not been shared equally among residents. Oakland currently ranks among the most racially diverse communities in the United States, yet dramatic and dangerous disparities exist along racial lines. The 2018 Oakland Equity Indicators Report evaluated the city on 72 indicators of racial inequity and revealed extreme racial inequality in the city (see Exhibit 1).

The degree of racial disparity exhibited in Oakland is far-reaching, complex, deeply rooted, and not unlike the stratification persisting throughout the United States. This is part of the reason the city has a rich history and culture of social justice activism. Oakland was the birthplace of the Black Panther Party and a central protest site during Occupy Wall Street, and it is currently home to hundreds of racial, economic, indigenous, and environmental justice organizations and nonprofits.

Building on this history and culture of activism, Oakland advocates, residents, and their city council representatives worked to pass two institutional amendments to the city's municipal code that have broad implications for residents' future:

1 | In 2015, the city council passed the ordinance proposed by District 6 Councilmember Desley Brook to create a Department of Race and Equity (DRE), which was given broad authority (within the municipal code) in 2016 to evaluate equity implications of city programs and direct and implement remedial action.

2 | In 2016, 82 percent of Oaklanders voted to pass the Measure KK Infrastructure Bond, which increased capital funding in Oakland by $600 million (the previous two-year capital budget was $120 million) and was monitored by "a Public Oversight Committee to assure fair and equitable distribution of bond funds."

It is within the context of new equity-driven leadership and the greatly expanded capital funding availability that the city's capital planning teams sought to adopt a revised capital improvement program development process—one that would comply with Measure KK's equity requirements and rise to the DRE's charge to proactively combat racial disparities in public investment programs.

THEME NO. 1
Transforming the city's internal working structure

Before adopting any programmatic adjustments or conducting public engagement around this CIP initiative, the City of Oakland implemented multiple organizational changes simultaneously to build both the staff competencies and institutional structure needed to amend a long-practiced budget process.

As a foundation, the DRE had for some time been facilitating training about racial bias and enduring racial inequity in the context of city employment and programs. It had set aside substantial time to discuss historic disinvestment during new staff orientation and conducted frequent citywide topical trainings over the lunch hour. The city had also established curriculum for staff to serve on department equity teams that sought to apply an "equity framework" in their departments' work. A variety and depth of content is discussed in these settings, ranging from the persistent impacts of redlining to the ways in which unconscious bias operates in our working relationships to adopting culturally inclusive and meaningful public engagement to improve public service delivery.

When asked about the DRE's role within the city government, Director Darlene Flynn emphasized the importance of this training and self-education as a prerequisite to the work of implementing equitable policies: "Many people who were leading this work had been through this training—

EXHIBIT 1: SELECTED MEASURES FROM 2018 OAKLAND EQUITY INDICATORS REPORT

RACE	% OF POPULATION	MEDIUM INCOME	HOMELESSNESS COUNT*	JAIL INCARCERATION (PER 100K)**
Black / African American	24.3%	$37,500	1797 (73.7%)	974.6
Asian	15.9%	$76,000	43 (1.8%)	49.9
White (non-Hispanic)	27.3%	$110,000	268.6 (11%)	257.9
Latino / Hispanic	27.0%	$65,000	329.3 (13.5%)	113.3

* SOURCE: 2017 Alameda County Homelessness Count
** SOURCE: Incarceration data in Alameda County, 2015

Oakland experienced a 79.4% median rent increase between 2011-2019, exacerbating the city's widespread racial disparity.

they were 'front-loaded' with this thinking. It's not the same as doing the work, but it is where it begins. We can't manifest anything externally that hasn't been developed internally."

Nearly all other staff interviewed agreed. "Understanding historic disinvestment and the need to center racial inequity and impacts is important to move forward. If there is not that fundamental understanding, there will be pushback," Matthew Lee, assistant director and the project manager who has led CIP development at the Office of Public Works, said. "It is important for everyone to have a basic and shared understanding about what equity means," Lily Soo Hoo, supervisor and manager for project delivery, Public Works, added.

The DRE equity training, known as "Advancing Racial Equity Academy," covered a broad range of topics, highlighting how social identities such as gender, class, sexual orientation, and immigration status affect Oaklanders' quality of life and complicate interactions with government. Among any vector of inequality measured (such as incarceration, food insecurity, classroom absenteeism and so on), racial disparity emerges as an always visible, particularly severe, and consistently recurring dimension of stratification with the city. For this reason, instructors devoted significant energy to focus on analysis of race in these conversations, which are sometimes avoided because of their potential to become interpersonally uncomfortable. Operating under the philosophy that good government must interrogate damaging and uncomfortable social realities and that equity can only be accomplished by addressing racial disparity, the DRE pushed staff to talk about their race, the racial impacts of city programs, racial bias within interpersonal working dynamics—and tools and strategies to create change.

Beyond this training, staff created two extra-departmental working structures to coordinate the CIP's transition across departments with various funding needs, service types, and internal cultures:

1 | The CIP Working Group brought together analysts and project coordinators from the Department of Transportation, Office of Public Works, and Department of Race and Equity to develop and implement the public inclusive engagement strategy, project prioritization methodology, and project timeline at recurring weekly meetings.

2 | The Working Group convened the CIP Advisory Committee, which consisted of department directors from all city agencies requesting capital funding, at regular intervals to discuss its progress.

The value of these organizational elements was two-fold. First, they enabled staff to coordinate across formerly siloed capital asset types (like streets, sewers, and facilities), as they would need to agree on a common method of project prioritization and a single public outreach strategy.

Poor road conditions in lower income neighborhoods can lead to higher vehicle maintenance costs among residents who already lack resources and face greater obstacles to alternative modes of transportation.

THEME NO. 2
Designing inclusive and proactive public engagement

Before this project, public engagement around CIP development had been left to individual departments, which would assess constituent needs and submit a ranked list of project proposals to the Office of Public Works to consider funding and construction. As is the case with many cities, staff relied on transmitting public sentiment through council representatives (whether during facilitated meetings or via forwarded requests), targeted meetings with institutional stakeholders, and public meetings, which doubled as outreach for the operating budget development. To create a new CIP that would (a) be approved by the city council and (b) inclusively reflect the values of all Oaklanders, the CIP Working Group devised a two-phased inclusive engagement strategy.

First, the Working Group would engage the public about the CIP development process itself: How should the city prioritize numerous, diverse capital needs in the context of constrained financial resources? Second, they would engage the public to develop the FY20-25 CIP: What specific maintenance needs or construction proposals should the city consider?

With the goal of replacing the city's existing prioritization methodology, the Working Group deployed a variety of approaches to assess public sentiment about capital priorities (see Exhibit 2). At first glance, Oakland's public outreach strategy (although diverse in tactic) appears diligent, but fairly standard—on their own, all tactics risk replicating public outreach patterns, wherein the same segments of a community are solicited for feedback and therefore have disproportional influence over public decision-making. Residents who can easily drive to public meetings, secure childcare while they attend, speak English, access the Internet at home, and are familiar with technocratic government language face fewer barriers to participation than others. Importantly, these barriers have important racial and socioeconomic impacts and make it more difficult to engage underserved populations.

> ## "
> ## Think about your long-term strategy. You can get started wherever you are."

DARLENE FLYNN
OAKLAND DEPARTMENT OF
RACE AND EQUITY DIRECTOR

The Department of Race and Equity's presence was an invaluable resource to help apply equity concepts to these ends. Second, they convened leaders across the city to adjust and approve proposed changes at regular intervals, ensuring that all departments would support the product of this process (a new CIP development procedure and list of projects to fund) before presentation to the city council.

Both of these institutional elements (the citywide training and interdepartmental coordination) were possible because of a prerequisite authorization to embark on process change work. In Oakland, the authorization came in the form of (a) an ordinance and resulting municipal code to create a Department of Race and Equity and (b) the adoption for explicit equity goals in various departments' strategic plans. Budget managers interested in similar equity-focused capital planning should secure the needed authorization to make bold and, at times, imperfect strides toward needed change. "You can give staff tools and theory and analysis, but if they don't have the political space to do the work, it dies on the vine. Think about your long-term strategy. You can get started wherever you are. It doesn't have to be a department, but it has to have the authorization," Flynn said.

In an attempt to overcome these barriers, the CIP Working Group made the following efforts:

1 | City-hosted meetings were not distributed equally, based on geographic or political boundaries, but rather located intentionally in districts with higher proportions of People of Color, low-income families, non-English speakers, and so on.

2 | A broad list of community-based organizations, 501(c)3 nonprofits, churches, and community centers were contacted to share the locations for city-hosted meetings and to inquire whether they were already planning events where staff could attend to share CIP information.

3 | Meeting content was designed to include definitions of key technical concepts, civic procedure constraints, and, most importantly, a clearly articulated plan for how feedback would be used and how the impacts of that feedback would be communicated back to the public using the IAP2 Spectrum of Public Participation.

4 | Public information (such as fliers, webpage information, and surveys) were translated into Spanish, Mandarin Chinese, and Vietnamese. The translations were checked for quality by staff who were fluent in these languages to verify the language literacy level and use of terminology that reflected the largest language populations groups in Oakland. Using the skills gained in racial equity training sessions, staff navigated difficult tradeoff conversations about terminology to ensure that materials were accessible to the broadest intersections of Oakland residents.

5 | Survey responses (which ranked various capital project prioritization factors) were totaled and weighted by Oakland's demographic profile to ensure more inclusive representation, as People of Color were still underrepresented at meetings, despite the aforementioned effort.

To complete this work, the Working Group relied on the donated time of internal staff with language fluency, significant assignments to public information officers, and the services of two consultants: 1) an on-call firm to brand fliers, posters, and presentation content to share with the public, and 2) an experienced public engagement professional with deep and diverse ties to community-based organizations throughout the city and, especially, among historically underrepresented communities.

Additionally, in the second stage of the project, in which residents were asked to contribute proposals for capital projects, a web-based portal was created to organize and direct public requests to departments for consideration and scoring. All of these public requests (there were more than 200) received an individual response and were considered alongside or integrated into department proposals. In subsequent CIP development cycles, diversifying and increasing the competitiveness of public submissions would become one of the key targets for improvement. In rolling out the process, some residents did not hear about these opportunities in time to submit and requested more civics education to participate meaningfully.

The effort to secure inclusive public feedback about the new CIP development procedures was conducted with diligence and received with appreciation and constructive criticism from the public. When asked about what elements of this project they would like to improve during the next cycle, nearly all staff interviewed identified more time, resources, and improved strategy dedicated to public engagement.

"We need a more advanced timeline; some people didn't hear about it and wish they had. We're getting more requests for civics education from folks. We're having those discussions now and looking forward to see how we can improve in the future," said Jacque Larrainzar, race and equity analyst for the Department of Race and Equity. Ariel Espiritu Santo, administrator for the Department of Transportation, added, "We have room to grow in terms of outreach. There are communities we were not as successful at reaching (specifically, Black and Latino residents) and stronger connections were needed. Historically they've been ignored, so it's a matter of trust. We don't just want to check a box."

EXHIBIT 2 | APPROACHES TO ASSESSING PUBLIC SENTIMENT ABOUT CAPITAL PRIORITIES

City-Hosted Meetings **4 meetings**	Attendance at Organization-Hosted Meetings **24 meetings 750 attendees**
Surveying at Public Events **1350 collected**	Centralized Webpage with Key Dates and Developments

THEME NO. 3
Technical considerations: analytics and project prioritization

In previous CIP development cycles, the City of Oakland funded projects that scored highly, based on a set of prioritization criteria that are likely familiar to those who work in capital planning and budgeting. Indeed, it is both common and common-sense to consider asset-based criteria such as legal mandates, asset conditions (for instance, paving decisions were historically made looking at PCI, alone; sidewalks by a sidewalk condition index), and life safety hazards when determining how to spend limited capital resources. This being said, the connection between capital planning and indicators of community wellness are often unexamined and even less frequently used to make funding decisions, which could affect how residents access public services.

When asked about the value of considering additional and perhaps unorthodox factors for capital assets, Flynn responded: "Reflect on the purpose of bridges and roads. Why does government maintain infrastructure? Most people conclude fairly quickly that they are service conduits to residents of our city. They are delivering public service. I understand if you're an engineer or architect, it is easy to see how we focus on the design, the specifics. But if we ask why, then we may see that this type of planning can contribute, in aggregate, to how resources are accessed. And accessed equitably—or not."

To apply this concept, consider how poor pavement condition indices in low-income communities could, over time, lead to higher vehicle maintenance costs or damage among residents who face greater obstacles to secure transportation alternatives.

In communities that lack capital resources, generally, vocal (and often white and affluent) residents might advocate for the "efficient" use of limited resources on cheaper repairs or high-travelled corridors without considering disparate racial impacts. Or, if an outdated park in a Community of Color is underutilized because it is outdated, how would a prioritization scheme that only considers reported asset conditions perpetuate a pattern of underinvestment? In what ways do the asset's duration of disrepair or community access to private alternatives factor into how a government makes investment decisions, and what social implications result if they are not?

In contrast to some of the more technocratic ways in which capital funding decisions were made, city departments and political offices in Oakland had (for some time) developed strategic planning goals focused on the quality-of-life impacts of public services such as promoting public health, environmental sustainability, and economic vitality.

To expand the considerations used for capital project prioritization, Oakland's CIP Working Group first cataloged and condensed stated goals across department strategic plans and citywide initiatives, which would eventually become the five community-informed, impact-based factors for CIP project prioritization:

1 | **Equity:** Investment in underserved communities.

2 | **Health/Safety:** Improve safety and encourage healthy living.

3 | **Economy:** Benefit small Oakland businesses and create job opportunities for Oaklanders.

4 | **Environment:** Improve the environment and address climate change.

5 | **Improvement:** Build new and upgrade city-owned property.

EXHIBIT 3: ALLOCATING POINTS IN OAKLAND'S SCORING PROCEDURE

#	GENERAL DESCRIPTION	FACILITIES SUBFACTOR	POINTS	STREETS/ SIDEWALKS SUBFACTOR	POINTS
2	**Health and Safety**	—	16	—	16
2a	**Health Equity:** Project provides health resources or opportunities specifically designed to reduce health and safety disparities. Awarded to projects that benefit communities with disparate health outcomes or crime rates.	Awarded to projects that benefit communities with disparate health outcomes or crime rates.	5	Awarded to projects that benefit communities with disparate environmental health risks, traffic safety outcomes, or access to active transportation infrastructure.	5
2b	**Life Safety:** Project provides health resources or opportunities specifically designed to reduce health and safety disparities.	Awarded to projects that remove specific facilities hazards or address security concerns.	7	Awarded to projects that reduce incidence of traffic conflict.	5
2c	**Public Health:** Project improves public health; it increases life expectancy, provides healthy living opportunities or increases access to community services.	Awarded to projects that increase access to services for healthy living or improved public health.	4	Awarded to projects that benefit personal health through mode shift.	6

These added factors would join the historically used, asset-based factors:

6 | **Existing Conditions:** Renovate or replace broken or outdated city property.

7 | **Project Readiness:** Ready-to-go projects without delay.

8 | **Collaboration:** Combine city projects to save time and money.

9 | **Required Work:** Address areas where the city may be held financially and legally responsible.

At public meetings, each of these nine factors was reviewed to convey the complexity of capital budgeting considerations and to solicit qualitative feedback about the ways in which different community members interpret somewhat abstract values such as "health" and "economic growth." The public was given an opportunity to expand or focus the intention of each of these factors. For example, economic investment (Factor No. 3) was adjusted to focus on small business development and job opportunities, instead of on improvements that would benefit larger companies and central business districts. Additionally, feedback from meetings and surveys was used to directly derive the relative weights (out of a total score of 100) for each of these factors. The city council eventually approved these weights for all categories of capital assets in September 2018.

Of course, broad questions such as "Does this project proposal promise to invest in underserved communities?" or "Is it shovel-ready?" are limited for a number of reasons. First, they introduce a great degree of subjectivity into the scoring procedure, as different staff members may apply different judgements. Second, they fail to account for how unique asset types might measure a concept like "safety" differently; for example, a transit investment would recognize the inclusion of daylighting improvements as contributing to safety, whereas

a building might consider the maintenance of fire stairs. For this reason, the CIP Working Group distributed points afforded to each of the nine prioritization factors into two to three asset-specific subfactors for each asset category. For example, within the Health and Safety factor, which is weighted with 16 points, three subfactors are distinguished: health equity, life safety, and public health. To use two asset types—facilities and streets/sidewalk infrastructure—as examples, department staff chose to define subfactors and allocate the 16 points, as shown in Exhibit 3.

A few qualities of Oakland's scoring methodology are worth noting. First, although the factors and associated points are fixed by council resolution, department staff with relevant expertise retained the ability to amend subfactor definitions and point values to address evolving community input, needs, and strategic planning priorities (like climate action plans, and general plans). Second, different asset types may exhibit different breakdowns in subfactor scores, allowing for individual departments to weigh certain health and safety measurements (in this example) individually. Finally, the city took a bi-faceted approach to equity considerations in their prioritization: The equity factor was identical for all asset types and included two subfactor components:

1a. Project is located within region indicated as [low/medium-low/medium/medium-high/high] disadvantaged on departmental Geographic Equity Toolbox maps (reflecting the RPO's "community of concern" designation).

1b. Project is located within a quarter of a mile of 100 percent affordable housing developments.

Additionally, each of the remaining four impact-based factors (health/safety, economy, environment, and improvement) included a subfactor that explicitly focused on addressing disparities in these areas (as in the "health equity" subfactor listed above).

Oakland is the **10th** most ethnically diverse city in the United States.

In addition to the prioritization criteria, each subfactor also directly mapped to a related and quantitatively assessed performance measure with which staff can determine whether the weighting schema achieves its intended impact. In this way and in between CIP cycles, the prioritization methodology can be adjusted at the subfactor level to enable the city to target capital investment in ways that make progress on their stated goals—a new use of public data to inform decision-making and remain publicly accountable.

This admittedly complex methodology was coordinated and implemented by analysts across the Departments of Transportation and Office of Public Works. When asked about the process, Department of Transportation Analyst Julieth Ortiz reflected: "Members of the public were surprised by a level of transparency they never had access to before. Although some staff who proposed projects were unhappy with the new level of detail requested, I worked to develop the project intake form and provided much technical support."

The technical support she refers to came in the form of workshops and FAQ documents created and distributed to department staff from the CIP Working Group. It is clear from Oakland's experience that the consideration of impact-based and community-informed factors for prioritization requires significant dedicated staff support, time, and resources. The scale of these efforts will likely reflect the size of a government's budget, diversity of funding sources, and demographic profile.

THEME NO. 4
Continuous learning

When it first embarked on this process, the City of Oakland understood that the pursuit of a bold vision would naturally require continuous reflection and subsequent adjustment of their public engagement strategy. A few years later, in winter 2021, many reflected on the methodology's impact and lessons learned from challenges during the first budget cycle, when it was applied.

Overall, many reflected on how the new scoring methodology provided a new way of talking about capital planning and a consistent framework with which to approach capital decision-making in the city. Beyond determining funding decisions, the City of Oakland adapted its methodology to inform which projects it would advance for competitive grant funding applications and look forward to future cycles when it will be used to inform decisions about long-range planning and revenue measures. As designed, the definitions of sub-factors shifted to incorporate the priorities outlined in new strategic planning documents (such as the 2030 Equitable Climate Action Plan) and expressed by community members (such as updating the environmental sustainability factor to include public safety considerations). Denise Louie, the new CIP manager, stressed the value of this transparent yet adaptable system: "The flexibility to tie in relevant data sets from other departments into the scoring system is key, and it reinforces the idea that we need to continue to weave our work together. That's the way that we continually grow stronger as a city."

Next, although the new scoring system brought renewed transparency to the process, the proposed CIP was still subject to select project additions from individual council members, including some projects that might not otherwise score highly. In these cases, the new methodology provided consistency to these conversations and transparency to any decisions.

On the subject of public engagement, although staff had hoped to advance the next CIP development timeline to

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CIP MANAGER, OAKLAND
PUBLIC WORKS DEPARTMENT

include more months of co-development, the COVID-19 pandemic constrained these intentions. Noticing that the city received fewer project submissions from East Oakland, staff focused considerable resources on a bounded geographic region, placing door hangers to invite residents to local, virtual engagement meetings where contact information was collected for more intensive public engagement in later months. Staff partnered with a local nonprofit in East Oakland to (a) provide civic education about capital planning, (b) create fully developed public project submissions, and (c) offer feedback to residents to ensure that their submissions could compete against those coming from department staff. They launched internal systems to integrate these submissions into larger capital investments and funded several projects emerging through these channels.

Finally, several staff members noted a shift in how the government and community worked together in capital planning. Community members came to appreciate the complexity of working with funding sources that carry strict expenditure restrictions, and staff worked to deepen their engagement, moving away from past practices of informing the public to consulting them about a new methodology and collaborating with them about project concepts. This shift took time and considerable investment but promises to yield more responsive capital investments and improved relationships between government capital functions and the public at large.

CONCLUSION

The City of Oakland's revised CIP project prioritization methodology and its efforts to adjust its internal structure and public engagement represent a marked divergence from past practice. This can be a useful case study for other local governments working to include an analysis of equity impacts in their capital planning. When asked to reflect on the entirety of this project, many staff members emphasized, optimistically, that it was a strong investment in a long-term vision that will take multiple cycles to fully implement. Across all departments involved, staff members felt that they were working on something new and collaborative, and that they had to abandon the desire to be perfect in order to be more accountable.

"We have to create a culture where mistakes are not punished but expected as a part of the learning process. We need to let go of perfection," said Jacque Larrainzar, analyst with the Department of Race and Equity. "We have to take account of the reality of our city and interrogate how systems maintain inequity. We are socialized generally, and especially in government, to be afraid of making mistakes, afraid of owning our history, of saying that we need help. If you're perfect, you don't need help from anybody."

As Matthew Lee, assistant director of the Public Works Department, pointed out, "Part of the paradigm shift is that in public agencies, we are very risk-averse, and we don't like coming out with an undeveloped plan. Everything has to be bulletproof. We communicated clearly that it is a work in progress. We acknowledged our mistakes, our imperfections, we acknowledged this to council. It allowed us to move forward."

"We've started moving in the right direction," Department of Transportation Administrator Ariel Espiritu Santo added. "As council members propose projects or we apply for new grants, we're always being transparent."

Cities that are interested in pursuing similar revisions to their CIP development procedures must be willing to identify and overcome barriers to active and inclusive collaboration with individuals (and perhaps neighborhoods) who have less experience and a perhaps justified mistrust in working with government. Although strategies for implementation have to reflect the specific local characteristics and conditions, insights from Oakland's experience may be instructive for others (see Exhibit 4).

Finally, and most importantly, staff must remember that patterns of social and racial inequity are complex and mutually reinforcing. It is unreasonable to expect any individual budget procedure to dramatically or immediately alter equity outcomes. But until local governments begin the challenging work of assessing the social impacts of their investment programs and truly soliciting feedback in ways that are representative and inclusive, there cannot be progress.

We have reached a critical point in the conversation about race and racism in America. The government's role in either perpetuating or interrupting caustic inequity seems to rely on staff willingness to incorporate public ideas and preferences for decision-making. As more governments include capital planning in their broader racial equity strategies, we must remember that others have made similarly bold risks before—and with iterative and humble success. ▣

Elliot Karl is a Government Innovation Fellow at the Harvard Kennedy School Government Performance Lab.

[1] Rent trend data in Oakland, California, is from RentJungle.com.

[2] Oakland was chosen in 2017 to be among the first cohort of five cities to develop local equity indicator tools in partnership with the City University of New York's Institute for State and Local Governance and with funding from the Rockefeller Foundation.

[3] Redlining was a widely used practice of segregating urban communities by race through selectively denying mortgages to Black and other People of Color while steering white homebuyers into homogenous neighborhoods.

[4] The Department of Transportation was a new city department comprising units that were formerly overseen within the Office of Public Works and responsible for a majority of transportation-specific capital funds. Leadership from both departments were present in the Working Group to direct project progress.

[5] The focus on operating expenditures in public meetings partially resulted from the limited capital fund availability, which changed dramatically after the passage of Oakland's Measure KK Infrastructure Bonds.

[6] "Public Participation Pillars," iap2, iap2.org.

[7] For example, in Oakland, a large percentage of Spanish Speakers are from Central America—Guatemala, El Salvador, Honduras—followed by Mexicans. For the Spanish translations, we used a form of Spanish that can be easily understood by all the groups that reside in Oakland and avoided using "Mexicanisms" in the translations to avoid creating a sense of exclusion for Central American Oakland residents.

[8] For example, see OakDOT's Geographic Equity Toolbox at oakgis.maps.arcgis.com.

For examples of Oakland's survey questions and project prioritization methodology, go to **gfoa.org/gfr0621-oakland.**