

Commonwealth Communities: Incorporating Equity in Your Municipal Budget and Practice

Virtual Symposium: November 17, 2021

Speaker highlights: what does promoting budgeting equity mean?



Jan Anderson,
Director of Outcome
Budgeting, City of
Detroit

“Jurisdictional overlapping makes coordination and responsibility complicated. Local governments can be used as a catalyst for distributing federal funding, relying on strong local leadership. What is the extent to which the local government can make up for global disasters?”



Chris Kluchman,
Deputy Director,
Community Services,
Massachusetts
DHCD

“COVID has made inequity extremely obvious. We need to determine how communities can open up additional funding for emergency assistance and ensure that people know that it’s available.”



Ryan Bowers,
Co-Founder,
Activest

“Relationships cannot be fast-tracked; in order to work with government on all levels, relationships need to be fostered and cared for. People are starting at ‘equity 101’ and are creating new tools to address equity problems. Communities can teach leaders how to build these skills.”



Kristina De Leon,
Co-Executive
Director,
Participatory
Budgeting Project

“COVID highlighted inequities that already existed. POC and minority communities created an incredible movement that demanded transparency in municipal practices. We need to think about how we can give the people that need it the most the influence to decide where money goes

This session focused on incorporating equity in municipal budgeting practices. Speakers discussed the foundation of equitable budgeting, including tools that municipal governments can use to involve communities in funding decision-making. The session also featured two case studies of equitable budgeting in practice: the City of Detroit and the Massachusetts Housing Choice Initiative.

Municipal tools for building equity in budgets

The first step to involving community members in the municipal budgeting process is building a better understanding of a complicated system of jurisdictional authority and public policy. Local leaders need to develop transparent, accessible systems and provide clear and concise information to community members on budgeting process and priorities.

Local elected officials and local government staff should make a **sustained investment in building relationships** with community leaders and view communities as partners who bring valuable experience and expertise. Building these relationships can take time, especially when there is a history of distrust due to past marginalization or lack of consultation. Building relationships also entails designing processes which are accessible, such as community meetings at a range of times of day, including measures to meet typical barriers to participation such as meals and childcare. Local governments and non-profit partners should also look to community members who have not been able to engage in past processes, determine what barriers may have led to lack of engagement, and strive to meet these community members' needs.

“Democracy is inherently biased. It always has been and always will be unless we step in and acknowledge that there is a problem. Where does it fall apart and who does it need to meet? Where are we succeeding and failing from the perspectives of the people that need democracy the most?” -Ryan Bowers, Activist

Different municipal government structures offer varying paths for public engagement in the budgeting process. During COVID-19, centralized government offered routes to instituting fast and enforceable public health solutions, which in some cases changed public perception of the different types of government structures.

Example: Currently, the City of Detroit utilizes a strong mayor and city council system. In this form of municipal government, the city council serves as the city's primary legislative body, and the mayor serves as the City's chief executive. In this system, the Mayor is elected by citizens and is responsible for appointing department directors, proposing the budget, administering oaths, and holding annual city-wide community meetings. In 2018, a change to the Detroit City Charter was proposed that would move the government to a weak mayor system. This would limit the powers of the Mayor, giving them little to no veto power and under the direction of the City Council. However, this new system would have extended the precious time it took to respond to the COVID-19 crisis, as the city looked to the mayor to make important, fast decisions for public health and emergency funding. Throughout the pandemic, the support of the transition to the weak mayor system waned in light of the functionality of the existing strong mayor system.

Example: Chris Kluchman, Deputy Director of Community Services at Massachusetts DHCD noted that Framingham, MA, one of the smaller cities in the state, adjusted its governmental structure to mirror that of a larger democratic city government. In fall of 2017, [Framingham elected its first Mayor and formed its City Council](#). Framingham’s Home Rule Charter outlined the new powers of both the Mayor and the Council, and proved to be a successful governing system when the COVID-19 pandemic hit. Strict rules and regulations delegated by the Mayor, with support from the Council, benefited the community, allowing for mask mandates, social distancing, and vaccine requirements to be enforced. Coming out of the pandemic, the new form of government has been popular with residents who enjoy the clear delegation of responsibilities to different levels of government, and feel like they have more of a say in how public funds are spent in the community.

Participatory budgeting

Participatory budgeting is an excellent tool for municipalities to engage community members in decision-making and advance equitable policy. As Kristiana De Leon described, the theory behind participatory budgeting (PB) is that communities should be able to work together to decide how money is spent. PB is aligned with solidarity economy practices and participatory democracy, and supports community members and their needs and invest with them; build for and with community members.

How does PB work? Participatory budgeting involves community members in decisions about how funding is allocated. Residents can make direct decisions about how government money is spent in their communities by identifying and prioritizing public spending projects. Cities and towns can use PB to promote affordable housing, provide services to the most vulnerable residents, and create jobs through the expansion and retention of businesses.

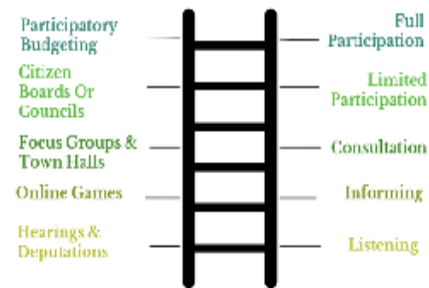
There are six phases of PB:

1. Design the process: Local governments may choose to appoint a steering committee that represents the community or those who have been traditionally left out of decision making. If a committee is not appointed, holding public meetings and gathering input from community members on how to design a PB process that meets their specific needs is essential.

2. Brainstorm ideas: Through meetings (online and/or in person), local leaders and officials can determine community engagement strategies that work best, and that will make the boundaries of the budget clear.

3. Develop proposals: Determining the feasibility of different funding concepts and the overall parameters or “scaffolding” of PB is typically the most complex aspect of the process. (continued in next column)

A Ladder of Budget Participation



Source: Kristiana De Leon, Participatory Budgeting Project

This highly detailed and researched process investigates the community and where funding is needed and has the greatest opportunity for impact. During this stage volunteers and community members can be recruited to work with a range of groups and agencies to build robust, fundable proposals which will then be considered by voting community members.

4. Vote: The full community is invited to vote on the different proposals.

5. Fund the winning projects: The most popular solution can be implemented immediately or on an agreed-upon timeline.

6. Evaluate: The process is evaluated for efficiency and equity in a cyclical manner, taking into account changes in population, environment, and political shifts.

PB is best understood as a framework, the elements of which are:

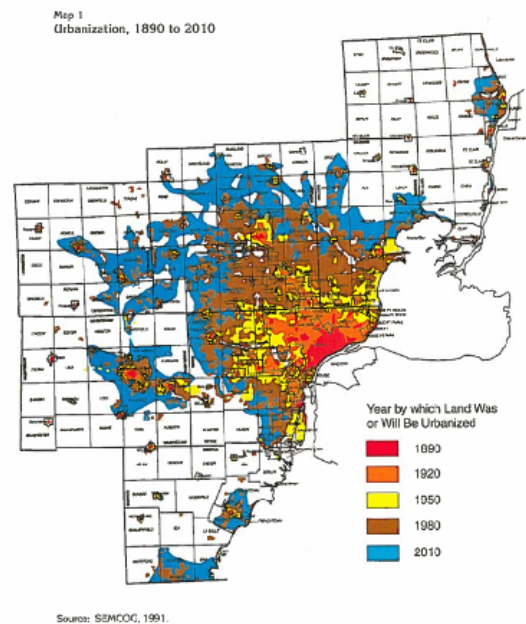
- Grassroots leadership
- Inclusive design to think about different ways to complete traditional processes,
- Focused outreach to name where outreach is falling short and address it
- Equity considerations to be critical of actions throughout the process

Local governments need to **tailor investment decisions** from results to benefits, and seek to meet the expectations of the public. Creating feedback loops for public input is also a critical part of the PB process. While qualitative feedback can be hard to quantify, opening up channels to hear it is important to both assessing impact of PB and the effectiveness of resident participation in the process..

An example of a tool for supporting PB, is the [Accounting for Equity Framework](#), created by Ryan Bowers, Co-Founder of Activest. The Accounting for Equity Framework provides analysis of how municipal fiscal practices can cause inequity in cities, and shows how these practices are financially costly and can erode the legitimacy of democracy.

Case study: Detroit

Resource use, including monetary resources, in Detroit has lent itself to exploitation, and the city has lost over [90 percent of its commercial base since 1950](#). Much of the physical infrastructure in Detroit was built to sell properties to people before there was demand, leading to a mismatch between large amounts of property that were available and a limited population that was there to buy them. Given this history, as well as population decline in the city proper in recent decades, the existing infrastructure has created a highly competitive regional economic development environment. This scenario has also caused suburban governments to implement economic development policies that encourage residents to move from Detroit, especially companies that don't want to pay for services and taxes.



Source: Jan Anderson, City of Detroit

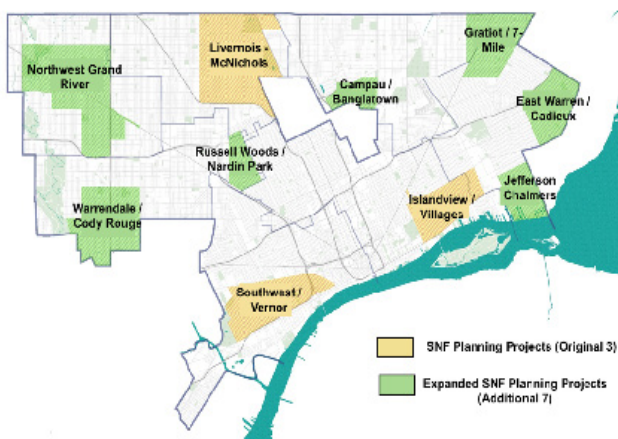
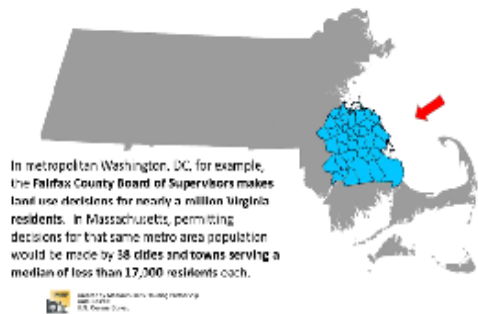


Image depicts the seven neighborhoods in Detroit that will see \$130M of investment. / Source: The Neighborhoods

Jan Anderson, the Director of Outcome Budgeting for the City of Detroit, is in charge of cataloging city budgeting practices, creating budget performing measures, and reforming accounting services. An example of part of this city-wide economic reform is the [Strategic Corridor Fund](#). This fund was created in response to the question: why does one neighborhood receive funding over another? The purpose of the fund was to focus on neighborhoods that have been historically disadvantaged, recognizing the potential in both the people and the land for development and economic growth.

Case study: Massachusetts Housing Choice Initiative

Massachusetts has 351 independent zoning jurisdictions



38 Massachusetts cities and towns are equivalent in population to a single zoning jurisdiction in Fairfax County, VA

In metropolitan Washington, DC, for example, the Fairfax County Board of Supervisors makes land use decisions for nearly a million Virginia residents. In Massachusetts, permitting decisions for that same metro area population would be made by 38 cities and towns serving a median of less than 17,000 residents each.

Source: Massachusetts Department of Housing and Community Development (DHCD)

Source: Chris Klauchman, Massachusetts DHCD.

There are 351 independent zoning jurisdictions in Massachusetts, complicating small-scale decision making, and consistency in zoning codes. However, many of these zoning jurisdictions have experienced common challenges related to housing accessibility and access. A research report by Brookings and Boston Indicators, "[Zoned Out- Why Massachusetts Needs to Legalize Multifamily Near Transit](#)," found that high incomes are linked to access to transit and to jobs, and that higher proportions of communities of color lack access to transit. Based on this information, the Massachusetts Department of Housing and Community Development (DHCD) created [the Housing Choice Initiative \(HCI\)](#). The goal of this initiative is to construct 135,000 new multi-family housing units by 2025 (17,000 units/year).

Additional Resources:

- City of Cambridge Participatory Budgeting. City of Cambridge. <https://pb.cambridgema.gov/>
- Envisioning Equity. Massachusetts Budget & Policy Center. <https://massbudget.org/envisioning-equity/>
- How city budgets can help equity as well as fiscal health, (2021). Bloomberg Cities Network. <https://bloombergcities.jhu.edu/news/how-city-budgets-can-help-equity-well-fiscal-health>
- Kavanagh, S. and Kowalski, J., (2021). The Basics of Equity in Budgeting. National Civic League. <https://www.nationalcivicleague.org/ncr-article/the-basics-of-equity-in-budgeting/>
- Metropolitan Housing and Communities Policy Center. The Urban Institute. <https://www.urban.org/policy-centers/metropolitan-housing-and-communities-policy-center/projects/housing-equity-and-inclusion>
- Participatory Budgeting, (2022). HUD Exchange, U.S. Department of Housing and Development. <https://www.hudexchange.info/programs/participatory-budgeting/>
- We Decide Detroit: participatory budgeting in the neighborhood surrounding Clark Park, Southwest Detroit, (2018). Invest Detroit. <https://investdetroit.com/wp-content/uploads/2019/04/We-Decide-Detroit-Evaluation-Report.pdf>

The Commonwealth Communities Symposium was made possible thanks in part to support from the Barr Foundation. The opinions expressed in this Discussion Guide are those of the Symposium participants and do not necessarily reflect the views of the Barr Foundation.



