



# OFFICE *of* RACIAL EQUITY

A DIVISION OF THE SAN FRANCISCO HUMAN RIGHTS COMMISSION

## MEMORANDUM

TO: The Honorable Sandra Lee Fewer, District 1 Supervisor  
FROM: Shakirah Simley, Director, Office of Racial Equity, SF Human Rights Commission  
CC: Sheryl Evans Davis, Executive Director, SF Human Rights Commission  
Ashley Groffenberger, Mayor's Budget Office  
DATE: July 29, 2020  
SUBJECT: Racial Equity and Vulnerable Populations Budget Hearing

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*“Racial equity is a set of social justice practices, rooted in a solid understanding and analysis of historical and present-day oppression, aiming towards a goal of fairness for all. As an outcome, achieving racial equity would mean living in a world where race is no longer a factor in the distribution of opportunity. As a process, we apply racial equity when those most impacted by the structural racial inequities are meaningfully involved in the creation and implementation of the institutional policies and practices that impact their lives.”*

— Adapted from Anti-Oppression Resource and Training Alliance (AORTA)

## Introduction

In the face of ongoing, deep racial inequities experienced by San Franciscans, community members and City leaders have long-called for an analysis of the effectiveness of the City and County's multi-million dollar investments in communities of color and other vulnerable populations. In 2018, the SF Human Rights Commission Executive Director Sheryl Davis lifted up budget equity as a call to action for City Departments in the wake of racial tensions and frustrations that swept the nation at the time. In the same year, then- acting Mayor Breed issued an executive directive to focus on these areas of equity investment in the Citywide budget process. In July 2019, the creation of the Office of Racial Equity (ORE) legislation by Supervisors Sandra Lee Fewer and Vallie Brown required budget analysis with a racial equity lens to create accountability for communities of color within our city spending. In December 2019, Mayor Breed solidified her continual call for equity, by prioritizing equitable outcomes and vulnerable populations [in her Budget Instructions](#) for FY20/21 and 21/22. In July 2020, Supervisor Fewer, as the head of the Budget and Finance Committee, convened a Racial Equity and Vulnerable Populations Budget Hearing to re-center racial equity within the budget process and decision-making of the SF Board of Supervisors.

As a follow-up to these directives, and given the disparate impact of the COVID-19 pandemic, it is critical that San Francisco prioritize racial equity in our citywide budget process and departmental spending. San Francisco faces a \$1.5B deficit over the next 2 fiscal years and increasing pandemic-related hardship on communities of color and other long-impacted groups. We must move to greater intentionality in use, and accountability, of each City dollar.

## Centering Racial Equity in the Budget Process

The San Francisco City and County budget is a powerful tool to address institutional and systemic racism in service delivery and to prioritize funding initiatives that serve residents with the highest need. Per its [legislative mandate](#), the ORE shall prioritize racial equity within the City's budget process, by 1) creating an assessment tool for City departments to use in order to determine whether requests and annual allocations benefit or burden communities of color and 2) by making recommendations on the funding of departments should certain equity metrics not be met. This analysis work and development of a budget tool by the ORE is still in progress, as the FY20/21 budget cycle is the first budget cycle since the ORE was legislated. In the meantime, the ORE has requested departments provide information on racial equity investments and their spending on the City's vulnerable groups. Despite the very short timeframe and ongoing

review, the ORE submits the following to inform current budget discussions and decision-making:

- **Guiding Questions**
- **Racial Equity Budgeting Guiding Principles**
- **Relevant and Emerging Issues Radar**
- **Racial Equity & Vulnerable Populations Survey Analysis**
- **Roadmap to Better Budget Equity**

At this moment of righteous national uprising and the pandemic of racism within a pandemic, we must continue to lead with race. COVID-19 has laid our structural inequalities bare. We have a unique budget opportunity to not let this moment slip through our fingers— to root out anti-Blackness, atone for past racial harm, and end a spending status quo that is not working. The ORE has embarked on a process to inform this year’s budget process and will set the course for fiscal years to come.

## **Guiding Questions**

To advance better support for communities of color and low-income communities, departments must integrate explicit considerations of racial and economic equity into decisions, including policies, practices, programs, and ultimately, their budgets. The 2020 budget hearing process presents an opportunity to prioritize a racial equity lens. The ORE would like to lift up the following budget equity questions and principles to be considered and centered in forthcoming SFBOS budget hearings:

- What specific racial disparities impact the work of your department?
- Of the existing programs that you seek to continue in this budget, which offer the most promise for eliminating racial disparities within the City and why?
- To advance racial equity, are there any existing programs that you propose to modify or new initiatives you are recommending? What is the size of the investment, what are your measurable outcomes, and how will you know if people are better off?

## Racial Equity Budgeting Guiding Principles

- **Commit to Shifting Power.** The people closest to the pain, should be closest to the power. Those most impacted by structural racial inequities are often left out of the process of creating programs meant to shift those same inequities. Racial equity means that the City government must commit to shift power to the communities it proclaims to serve. For example, a Department may choose to designate meaningful funding for structured community participatory budgeting or target grassroots organizations. It may also incorporate opportunities for the community to co-create or directly own decision-making. In all, a department should acknowledge the power it holds and seek to delegate such power back to the community it seeks to assist and, ultimately, serves.<sup>1</sup>
- **Establish Equity Priorities by Collecting Disaggregated Data.** A department's budget plan must be informed by its greatest equity priorities. Department priorities are established by collecting data and gaining insight from different community stakeholders. Program data must be disaggregated by groups impacted by systemic inequities, especially by race and ethnicity, with granularity, and through an intersectional lens. Communities are not monoliths and should not be treated and regarded as such. For instance, data approaches acknowledging the diversity of the Asian diaspora should include MENA (Middle Eastern North African) communities. Further insight into equity priorities must be gained by continuous and collective engagement with community stakeholders.
- **Align Budget Plans and Adjustments to Equity Priorities.** Budget proposals and adjustments are screened for Racial Equity impacts. Departments use a racial equity lens to assess direct and indirect results of their proposals, and this analysis is then utilized in the decision-making process by the City Budget Office and the Mayor's Office. Starting in FY 2021/22 and thereafter, future budgets must align with the ORE Citywide Racial Equity Framework and Departmental Racial Equity Plans. Further, a department must identify any potential unintended negative impacts of budget enhancements or adjustments on communities of color and vulnerable populations.
- **Articulate Specific Desired Outcomes.** From a focus on how departments will spend money, to a focus on what the targeted results of the proposed

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<sup>1</sup> In Vulnerable Populations survey responses, departments reported holding public hearings on their budgets and doing varying levels of outreach, but almost no responding departments described a structured process where a group of community members have *direct* decision making power over City funds.

actions/proposals will achieve. Departments should be able to produce specific, measurable outcomes to determine whether its work is having an impact. In other words, “are the people we serve better off?” The budget process should ultimately be informed by these measurable outcomes.

- **Seek Accountability and Transparency.** A department must be able to track and measure its efforts in addressing equity priorities. Additionally, such progress should be reported back to the community stakeholders to maintain accountability. A department may seek to establish equity benchmarks or indicators in order to maintain accountability. The Mayor and the Board of Supervisors can weigh departmental performance on the ORE equity scorecards and quality and delivery of mandated equity deliverables including Departmental Racial Equity Action Plans.
- **Align Incentives for Systemic Change.** Departments must be required to break down silos and work collaboratively (with other community partners, the nonprofit sector, and/or the private sector) to achieve systemic change. One department may hold subject matter expertise, but is not solely responsible for “fixing” complex problems, such as housing insecurity or transportation inequity. Root cause approaches should be incentivized by supporting upstream investments for the greatest and most effective impact.
  - Departments should apply a thoughtful racial equity analysis to a stated number of shared projects per year, to be in good standing during the budget process.
- **Use the Office of Racial Equity as a Resource and Partner.** The Office of Racial Equity is available to answer any questions and provide ongoing technical assistance to Departments. This requires ORE adequate staffing and resources.
- **Dedicated Equity Line Items.** In the face of competing priorities, most departments not only need a mandate, but also supporting resources to prioritize equity work. Specific budget line items can be effective to explicitly allocate the necessary funding/staff time, etc. To the extent they do not exist, they need to be created. Examples might include:
  - Dedicating a percentage of revenue or entire budget specifically to support and augment programs and activities to advance racial equity;
  - Staff time to coordinate equity-related work (e.g., department committee, additional community outreach work), staff time to advance equity goals;

- Allocating a intentional fund or robust resources directly to specific, vulnerable population;
- Shifting from continued divestment in city service plans and schedules to prioritizing under-resourced neighborhoods;
- Outlining a strategic plan to address a chronic issue or persistent social problem faced by racial/ethnic group;
- Explicitly removing bureaucratic, wasteful processes and “hoops” that impede access to services, resources, information for our most vulnerable communities;
- Leverage capital plans to create more equitable workforce opportunities for chronically unemployed and underemployed groups;
- Expanding communications and public documents in appropriate, multiple languages for a diverse audience.

## Relevant and Emerging Issues Radar

Given the widespread socio-economic and health impacts of the COVID-19 pandemic, several critical equity issues need to be seriously considered within the City budget process. The following issues have disproportionately impacted our vulnerable populations, especially our Black/African American, Latino/a/x, Pacific Islander, Indigenous, and Asian communities. The development of these issues were informed by the following qualitative and quantitative experiences and processes:

- ❖ Director Simley’s 16-week deployment to the Emergency Operations Center (EOC) in capacity as the EOC Equity Team to address inequities in our citywide COVID-19 disaster response;
- ❖ Human Rights Commission-led community outreach process around SFPD reinvestment and reallocation dollars for the African American/Black community;
- ❖ Existing and persistent disparities from research and documented in numerous reports and research referenced in the [ORE Citywide Racial Equity Framework](#).

### These issues include:

- **Disparities in COVID-19 Care:** Limited access to preventative/primary health care; disparate access to COVID testing, isolation and quarantine resources, culturally responsive contact-tracing, and follow-up care especially for Black/AA, Pacific Islander and Latinx communities;

- **Job Loss and Economic Insecurity:** Large-scale job and income loss and increased rates of unemployment for communities of color;
- **Increased Widespread Food Insecurity:** Deepening of food insecurity and hunger with an overall lack of access to healthy food;
- **Housing Insecurity:** Increased severity of housing insecurity, rent burden, and housing loss; increased evictions; a rise in back rent; mortgage defaults; and utility bill delinquency;
- **Small Business Struggles:** Small business financial hardships, staff layoffs and closures; increased commercial corridors vacancies;
- **Mental Health Support:** Inequities in access to care, especially for frontline and essential workers;
- **Transit Inequity:** Gaps in transit and pedestrian mobility options, and increased isolation due to service cuts, especially for those who cannot telecommute;
- **Social Distance and Recreational Inequities:** Inequitable access to library, recreation, and park facilities; lack of adequate space for appropriate social distancing;
- **Distance Learning Disparities:** Access to distance learning and educational opportunities and widening of the digital divide;
- **Homelessness:** Increased risk of entry into homelessness due to cost burdens; decreased entry into permanent supportive housing; lack of open shelters
- **Isolation and Disconnection:** Intensified social isolation of our seniors, older adults and families and children
  - Increased risk and frequency of domestic abuse
- **Public Safety and Community-based Violence:** with Black and Brown communities struggling under COVID-19, increased incidents of violence and tragic incidents of homicide and assaults;
- **Anti-Asian Racism and Xenophobia:** Increasing incidents ranging from shunning to physical assaults, as people perceived to be Asian are blamed for the pandemic;
- **Immigrant & Undocumented Community Stigma:** Fear and distrust in our undocumented and immigrant communities due to national climate of hostility and federal policy violence, leading to disparities in enrollment/receipt of eligible state and federal benefits;
- **Increased Needs for ADA/Access and Functional Needs (AFN) Communities:** Deepening disparities at intersections, particularly for those with disabilities and mobility issues;
- **Communication Gaps:** Lack of key information for those requiring in-language support.

## Racial Equity & Vulnerable Populations Survey Analysis

As the City of San Francisco seeks to eliminate its deep racial inequities, it is critical to understand what the City departments are striving to achieve amid the persistence of these inequities among our vulnerable populations.

As mentioned, in the short timeframe of this budget cycle, ORE requested the following from each City department about the vulnerable populations they serve:

- ❖ Survey about its FY20/21 and FY21/22 budget relative to these groups;
- ❖ Summary of departmental prior year community engagements with investments associated with those activities.

ORE received an overall 93% response rate<sup>2</sup> and thanks the departments and agencies for their submissions and cooperation. ORE then analyzed the department survey and community engagement details, which often included programs. This analysis informs the information below and is ongoing.

### What is Working

- Most City and County agencies are pivoting to respond to COVID-19 and have re-directed staff and resources or developed new programs to meet the need.
- Related, City and County agencies are allowing their grantees flexibility to pivot their services to provide pandemic response, or in how they fulfill their contracted services during this time.
- Departments offer some targeted and culturally-competent programs, especially when they contract with BIPOC-led organizations serving their communities.
- Some departments address systemic issues that disproportionately affect BIPOC through newly-created funds and community-specific resources.

### Equity Issues & Themes

#### Broad Program Descriptions and Unspecific Outcomes

Several departments reported significant investments in programs that benefit “vulnerable populations,” but measurable outcomes provided lacked clarity and specifics on exactly what racial groups and other vulnerable individuals were benefiting, to what extent they were participating and what outcomes were.

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<sup>2</sup> While some departments technically submitted a response, the lack of information in their answers indicates that there is capacity building needed within those departments around equity and prioritizing vulnerable populations.



### **Equality, but Not Equity**

Many issues departments seek to address result from structural and systemic racism, but solutions must be equitable instead of equal (serving “everyone”). Departments need to articulate more targeted strategies and solutions to address existing disparities.

### **Inequitable Investments**

In our review, ORE found that Black, Pacific Islander/Samoan, and Indigenous San Francisco communities face the most extreme disparities in homelessness, housing insecurity, health, education, criminal justice involvement, transportation and economic well-being.<sup>3</sup> Similar disparate outcomes are experienced by Transgender/Gender non-conforming communities of color. Departments consistently under-invest in these communities in comparison to other populations, instead opting for generalized programs that serve everybody. This current strategy is not addressing the specific needs of these groups and deep inequities persist to the frustration of the community. Ongoing racial disparities impacting the Latino/a/x and Asian communities (which are compounded by the needs of monolingual speakers) related to COVID-19, increased food insecurity, and widespread job loss also need to be addressed. Lastly, neighborhoods that need additional and intentional investment due to historical divestment include: OMI/Lakeview, Bayview-Hunters Point, Sunnydale, Potrero, Western Addition/Fillmore, and Tenderloin. Our FY 20/21 Budget process must prioritize solutions to these inequitable outcomes.

### **Redundancy**

While joint efforts can be effective and pool resources, it can also introduce redundancy and obfuscate which department is ultimately accountable for results and outcomes.

### **Just Serving BIPOC is Not an Equity Agenda**

In survey responses, most departments reported serving BIPOC - from a high of 91.8% of departments serving Black/African Americans, to 77.6% serving Indigenous/Native American/American Indians. However, proximity and basic service provision is not meaningful connection or investment. Of survey respondents who identified % of their budgets supporting vulnerable populations, 16 viewed 100% of their budgets as doing so, while 8 reported between 50-99%, and 7 reported less than 50%. ORE’s estimated total is over \$2.5B in spending. This is concerning, given the persistence of citywide

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<sup>3</sup> These disparities are outlined in numerous City reports, including the [2019 Community Health Needs Assessment](#) by the Department of Public Health. More examples can be found on [page 12 of ORE Citywide Racial Equity Framework](#).

racial disparities. Advancing equity is best measured not by which people are served but by the desired impact: “Are people better off?”

## Needed Improvements

In a May 1, 2019 Budget and Legislative analyst report on current efforts reported by City departments to address inequities, 610 programs or initiatives were reported by 45 City departments.<sup>4</sup> Clearly there is a tremendous amount of departmental activity, but stepping back as a City and looking at the overall results, the disparities persist and deepen, even before COVID-19.

- I. **Increase explicit interventions, programs, or outlined strategy to combat deep-set racial disparities especially within the Black, Pacific Islander and indigenous communities.**
- II. **Collect and/or sufficiently disaggregate data to create transparency of equity in resource decision-making. Broadly speaking, we see examples of the following gaps:**
  - Departments with major critical services and infrastructure spending are not collecting data on the specific geographical zones or neighborhoods they serve.
  - Departments that provide economic assistance are not collecting demographic data on those who benefit from such services.
  - Departments that offer grants to non-profit organizations and community based organizations are not collecting sufficient data regarding the individuals or communities those organizations serve and their outcomes.
  - Departments that are mandated to serve vulnerable communities and are not measuring meaningful outcomes and results.
  - Departments that provide essential services are relying on providing services citywide as an indicator of success rather than collecting specific data to determine actual outcomes and results for vulnerable groups.
- III. **Coordinate and strengthen workforce programs and pipelines citywide to create real mobility and access to good, paying jobs. Examples of gaps include:**
  - Departments with internship/apprenticeship programs do not have enough staff of color to pair with incoming interns/apprentices of color.
  - Departments with workforce pipeline programs do not have information regarding people of color served or success rate.

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<sup>4</sup> [https://sfbos.org/sites/default/files/BLA.OfficeofEquity.050119\\_0.pdf](https://sfbos.org/sites/default/files/BLA.OfficeofEquity.050119_0.pdf), Appendix 3.

- Departments with workforce pipeline programs do not invest in equitable workforce development. Oftentimes, funds are equally distributed to reach all communities of color when, in actuality, certain communities of color experience disparate unemployment rates.

## Roadmap to Better Budget Equity

San Francisco's budget process is transforming to center racial equity, with the goal of creating a more equitable City where all San Franciscans can thrive. We must reject the status quo that reproduces inequities year after year. The roadmap includes both revisiting assumptions and imbuing a racial equity lens throughout the process and key milestones. ORE and City leadership understand that as a City we are on a learning curve. As such, we want to support learning while also increasing accountability over time to shift ineffective practices and promote equity.

### Revisiting Assumptions

- In this year's budget process, Mayor Breed has chosen not to do 3-year funding cycles for grants/CBOs. While multi-year grants are important for CBOs, this creates a "reset" opportunity to align spending with racial equity goals.
- The Board of Supervisors' addback process has traditionally taken an approach wherein the same amount of money is allocated to each district. The Board may choose an alternative, equity-based approach this year.
- City investment needs to consider not just the immediate time frame in which neighborhoods/communities have received funding, but rather weigh historic investment and divestments in those decisions.
- The fate of billions of dollars are decided within City rooms and halls. How might San Francisco begin to create truly equitable community participatory budget processes to begin to shift to areas of highest importance to identify community-led solutions with measurable impacts?

### Upcoming Budget Milestones

*2020*

- August Budget Hearings - Renewed focus on racial equity  
August 26th - Final Budget Passes  
December - Release of Mayor's Budget Instructions and ORE Budget Equity Tool  
December - Department Racial Equity Actions Plans due, with budget line items

*2021*

- Early 2021 - Review of Racial Equity Action Plans, centering Results-Based Accountability
- Budget Process - Alignment with ORE Citywide Racial Equity Framework and Racial Equity Action Plans, including departmental retrospectives on equity investments from FY20/21
  - What was successful? What didn't work via investment?

Lastly, as we move forward through the budget process and begin the new fiscal year, COVID-19 will still be here. Centering equity through the COVID lens: Who gets to recover? Who is recovering? Who is prioritized in the City's recovery work?

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## Appendix A

### Examples of Jurisdictions with Budget Equity Tools/Frameworks

- [City of San Antonio](#)
- [City of Tacoma, Washington](#)
- [City of Seattle](#)
- [City of Portland, Oregon](#)