

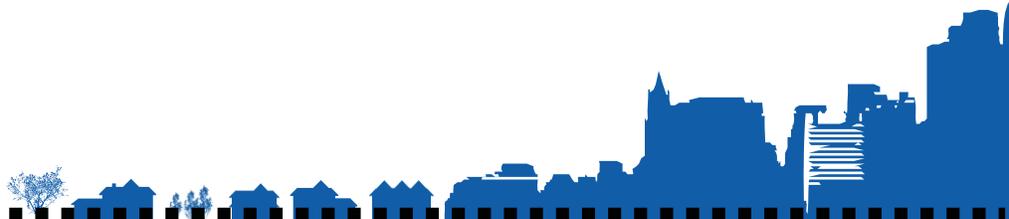
# Distressed Cities and Persistent Poverty Technical Assistance Program

## PROGRAM REPORT

Fiscal Year 2018–Fiscal Year 2022



PD&R





Distressed Cities and Persistent Poverty  
Technical Assistance Program

PROGRAM REPORT

Fiscal Year 2018–Fiscal Year 2022

HUD Policy Development and  
Technical Assistance Divisions

## **DISCLAIMER**

**The contents of this report are the views of the author and do not necessarily reflect the views or policies of the U.S. Department of Housing and Urban Development or the U.S. Government.**

# **Distressed Cities and Persistent Poverty Technical Assistance (DCTA)**

**Program Report: Fiscal Year 2018–Fiscal Year 2022**

HUD Policy Development  
and Technical Assistance Divisions

# CONTENTS

Executive Summary .....	iv
Background.....	1
Funding, Competitive Process, and Provider Structure .....	2
Eligibility .....	7
Technical Assistance Requests and Needs Identification .....	8
Program Design .....	10
Communication Resources .....	12
Engagements.....	15
TA Activities .....	18
Oversight.....	19
Conclusion.....	19

## EXECUTIVE SUMMARY

The Distressed Cities and Persistent Poverty Technical Assistance (DCTA) program provides direct access to federal technical assistance (TA) for small units of general local government (UGLGs) to implement financial management, governance and administration, and economic revitalization capacity-building programs. The program first received funding in the fiscal year 2018 Transportation, Housing and Urban Development, and Related Agencies (THUD) appropriation and has received additional funding each fiscal year since. Small UGLGs often face common but intractable challenges, including chronic staffing shortages, administrative inexperience, and relatively small budgets. Given those challenges, many technical assistance resources available at the federal level are not appropriate, relevant, or accessible for small UGLGs. The DCTA program provides an option for these small UGLGs to receive the tailored assistance needed to pursue effective governance, good fiscal health, and economic stability for their communities.

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**What are UGLGs?** UGLGs are entities such as towns, cities, villages, counties, and municipalities. For the DCTA program, tribal governments are considered UGLGs.

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The goal of DCTA is to support UGLGs in establishing the structures, systems, and frameworks to operate sustainably (long-term viability as an organizational entity) and effectively serve their communities and residents. To paraphrase a commonly used proverb, "Give a man a fish, and you feed him for a day. Teach a man to fish, and you feed him for a lifetime." With DCTA, the award TA provider firms build the capacity of UGLGs so they can operate independently and with success.

## **BACKGROUND**

### **HUD Technical Assistance**

The Department of Housing and Urban Development (HUD) provides TA to grantees and other customers through the Community Compass Technical Assistance and Capacity Building Program. The TA through this program improves the implementation of HUD programs and the use of HUD funds for the public's benefit. The DCTA program differs from HUD's other TA in three main ways.

First, recipients of DCTA serve communities of fewer than 50,000 residents—meaning that they typically do not receive grant or program funding directly from HUD. DCTA allows smaller UGLGs to access resources without a state or county acting as an intermediary.

Second, recipients of the DCTA program are not limited to receiving technical assistance in HUD program areas, such as community development, economic development, housing, homelessness, and so forth. The DCTA program has more flexibility to be responsive to recipients' most pressing needs, including assistance with broad capabilities such as engaging with stakeholders, growing public-private partnerships, and improving fiscal health.

Third, a hallmark of the DCTA program is the close partnership between national HUD program offices, local HUD field offices, awarded TA firms, and the TA recipients. By integrating multiple levels of support, the DCTA program aims to amplify and strengthen recipient capacity throughout and after TA delivery.

### **Previous Programs**

The roots of DCTA are in the Strong Cities, Strong Communities (SC2) initiative that ran from 2012 to 2017.<sup>1</sup> Part of the SC2 initiative was the National Resource Network (NRN), designed to provide direct assistance to the staff and leadership of UGLGs. In an evaluation of NRN, the Urban Institute highlighted certain elements of NRN that seemed particularly effective. Those elements included tailoring the engagements to each recipient, providing specific tools to sustain the work after the lifetime of the engagement, and prioritizing active participation by recipients. DCTA integrated those elements of NRN into its program in addition to the eligibility criteria to determine whether a recipient was “distressed.”

A significant difference between SC2 and DCTA is the population size of the served communities. NRN supported cities with populations of 40,000 or more, whereas DCTA began its work by focusing on UGLGs serving communities of 40,000 or fewer to expand access to HUD TA resources to a set of communities that previously did not have direct access to those resources. The DCTA population ceiling was adjusted to include UGLGs with populations up to 50,000 because UGLGs with more than 50,000 people are typically entitlement jurisdictions and have other access points to HUD resources.

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<sup>1</sup> Although the federal program ended in 2017, some SC2 activities continued with private funding.

## **FUNDING, COMPETITIVE PROCESS, AND PROVIDER STRUCTURE**

The DCTA Program first received funding in the fiscal year (FY) 2018 THUD appropriations bill and continues to receive funding each fiscal year. Funding is awarded competitively to successful applicants through a notice of funding availability or opportunity (NOFA or NOFO). The language included in each appropriations act has implications for recipient eligibility and program implementation.

### **FY 2018–2019 Notice of Funding Availability**

Through the FY 2018 and FY 2019 Distressed Cities TA Notice of Funding Availability (FY 18-19 DCTA NOFA), HUD awarded \$6 million of funding (\$3 million from the 2018 Consolidated Appropriations Act and \$3 million from the 2019 Consolidated Appropriations Act) to the highest scoring applicant: Local Initiatives Support Corporation, Inc. The language from the explanatory reports follows.

2018 Consolidated Appropriations Act for THUD, [Explanatory Statement](#), page 52—

*The agreement provides not less than \$25,000,000 under this heading [Policy Development and Research: Research and Technology] for technical assistance, of which \$3,000,000 is for non-profit or private sector organizations to provide technical assistance to distressed cities or regions.*

2019 Consolidated Appropriations Act for THUD, [Committee on Appropriations Report](#)—

*The Committee's recommendation includes \$33,000,000 for all technical assistance. Of the funds made available under technical assistance, \$3,000,000 shall be available on a competitive basis to non-profit or private sector organizations to provide technical assistance to distressed cities with a population under 40,000 that were impacted by a natural disaster.*

The [FY18-19 DCTA NOFA](#) is available on HUD's website. Important highlights include the following:

- Stating that the TA delivered through this NOFA should be community specific rather than HUD program specific.
- Emphasizing the priority to assist UGLGs serving populations of fewer than 40,000 that were affected by natural disaster(s).
- Incentivizing firm commitment of leveraged resources through rating factor point allocation.
- Defining the focus areas to include financial management, targeted private-sector investment, and disaster recovery and resilience in distressed areas.

### **FY 2020–2021 Notice of Funding Opportunity**

Through the FY 2020 and FY 2021 Distressed Cities and Persistent Poverty Technical Assistance Notice of Funding Opportunity (FY 20–21 DCTA NOFO), HUD awarded a total of \$9.2 million to four high-scoring applicants. That amount included \$2.4 million from the 2020 Consolidated Appropriations Act and \$6.8 million from the 2021 Consolidated Appropriations Act. HUD reserved an additional \$100k of FY 2020 funding to cover the

ongoing development and maintenance costs of DCTA content on HUD Exchange. Excerpts from the explanatory statements follow.

FY 2020 Consolidated Appropriations Act for THUD [Explanatory Statement](#), p. 54—

*The agreement includes not less than \$29,875,000 under this heading for technical assistance, ... of which \$2,500,000 shall be available on a competitive basis to non-profit or private sector organizations to provide technical assistance to distressed cities or regions, including those that have been impacted by a natural disaster.*

FY 2021 Consolidated Appropriations Act for THUD [Explanatory Statement](#), p. 88—

*The agreement provides not less than \$32,800,000 for technical assistance. Of this amount, \$5,000,000 shall be available on a competitive basis to non-profit or private sector organizations to provide technical assistance to units of general local government or non-profit organizations that serve counties or census tracts that have had 20 percent or more of the population living in poverty, as measured by the 1990 and 2000 decennial census and the most recent five-year data series available from the American Community Survey (ACS) of the Census Bureau, and any territory or possession of the United States. Additionally, of the amount provided for technical assistance, \$1,800,000 shall be available on a competitive basis to non-profit or private sector organizations to provide technical assistance to distressed cities or regions, including those that have been impacted by a natural disaster.*

The [FY 20–21 DCTA NOFO](#) is available on HUD's website. Important changes from the FY18–19 DCTA NOFA include the following:

- Adding persistent poverty language.
- Allowing more than one successful applicant.
- Requiring leveraged resources and incentivizing more resources for a higher rating factor score.
- Including UGLG internal governance processes more explicitly in NOFO objectives.
- Expanding TA focus areas to include establishing cross-sector partnerships and implementing recently adopted community plans.

### **FY 2022 and FY 2023 Funding**

Congress appropriated \$5 million in FY 2022 and up to \$5 million in FY 2023 for the DCTA program. The funds will be competitively awarded via a NOFO during the 2023 fiscal year. An important addition to the FY 2022 and FY 2023 appropriations language is permission for awardees to conduct outreach efforts to eligible UGLGs. Outreach for HUD TA is traditionally conducted solely by HUD, which has been a challenge for DCTA because the intended recipients do not necessarily have a history of directly engaging with HUD.

FY 2022 Consolidated Appropriations Act for THUD [Explanatory Statement](#), p. 86—

*The agreement provides \$41,000,000 for technical assistance.... Within the total for technical assistance, \$5,000,000 shall be available on a competitive basis to non-profit or private sector organizations to provide technical assistance, including outreach efforts to local governments with persistent poverty tracts in their jurisdiction, to units of general local government or non-profit organizations that serve distressed areas, prioritizing applications from jurisdictions containing persistent poverty census tracts that have had 20 percent or more of the population living in poverty as measured by the 1990 and 2000 decennial census and the most recent five-year data series available from the American Community Survey of the Census Bureau, and any territory or possession of the United States.*

FY 2023 Consolidated Appropriations Act for THUD Explanatory Statement, p. 90—

*The agreement provides no less than \$41,900,000 for technical assistance.... Within the total for technical assistance, up to \$5,000,000 shall be available on a competitive basis to non-profit or private sector organizations to provide technical assistance, including outreach efforts to local governments with persistent poverty tracts in their jurisdiction, to units of general local government or non-profit organizations that serve distressed areas, prioritizing applications from jurisdictions containing persistent poverty census tracts that have had 20 percent or more of the population living in poverty as measured by the 1990 and 2000 decennial census and the most recent five-year data series available from the American community survey of the Census Bureau, and any territory or possession of the United States.*

## **TA Provider Structure**

At program launch in the fall of 2019, one TA provider (Local Initiatives Support Corporation [LISC]) received an award to deliver technical assistance through the DCTA Program. As the program received additional congressional appropriations, HUD allowed additional awardees for the subsequent FY 20–21 NOFO. Four firms, including LISC, were successful applicants of the FY 20–21 NOFO, greatly expanding the skillset, knowledge, and expertise available to UGLGs participating in the program. With the addition of three firms, HUD designated LISC as the lead firm to assist with coordination and general program implementation. The DCTA program received funds in FY 2022 and FY 2023; subsequent NOFOs will likely allow for more than one successful applicant and awardee. More information on each of the four DCTA providers follows.

## Awarded Providers

### [Local Initiatives Support Corporation \(LISC\)](#)

LISC was a successful applicant for both the FY 18–19 and FY 20–21 DCTA NOFOs. The “Rural LISC” division of the organization has staff throughout the country in smaller communities; their focus is on housing, economic, and community development programs and projects in rural areas. Rural LISC’s network of professionals embedded in communities has been central to the organization’s successes in the DCTA program because the TA providers working with the recipient UGLGs are already familiar with many of the issues, partners, and dynamics at play. LISC is currently the lead provider for the DCTA program. The following excerpt was included as their organization description in their successful application to the FY 20–21 NOFO.

*Local Initiatives Support Corporation (LISC) is a U.S. 501(c)(3) tax-exempt non-profit corporation and has been designated by U.S. Treasury as a Community Development Financial Institution (CDFI). LISC is the largest community development support organization in the country with locations in 37 cities throughout the country and a Rural program that reaches 2,400 rural counties in 49 states and Puerto Rico. LISC and its affiliates mobilize corporate, philanthropic, and public and private capital to fund grants, loans, equity, and technical and management assistance to invest in the social and economic infrastructure of distressed communities and improve the quality of life for historically underserved individuals and families.*



### [Enterprise Community Partners, Inc.](#)

Enterprise Community Partners was awarded funding under the FY 20–21 DCTA NOFO. Enterprise brings deep knowledge of the challenges faced by small, economically distressed communities, such as racial injustice, community disengagement, public safety, and disaster recovery. With that knowledge and experience, Enterprise implements intentional and tailored approaches to support UGLGs in their unique circumstances. The following excerpt is from their successful application narrative response.

*Enterprise Community Partners, Inc. (Enterprise) is a leading national nonprofit working to make home and community places of pride, power and belonging, characterized by resilience, equity, and upward mobility. Over the last 40 years, Enterprise has worked with thousands of local partners to provide programmatic, policy, advisory and capacity-building technical assistance in over 800 communities and in collaboration with thousands of partners in the nonprofit, public, and for-profit sectors. Enterprise Advisors (Advisors), the lead respondent to the NOFO, is the mission-based consultancy arm of Enterprise. Advisors works with partners to raise up new ideas and standards to cultivate more inclusive and equitable communities. We support local partners in addressing their most pressing community challenges—from*



*equitable recovery and revitalization, inclusive socioeconomic development, fair housing and equitable housing solutions, and public housing revisioning. Advisors does this by leveraging our national expertise and Enterprise's extensive networks across the country. Advisors strives to build the capacity of Cities and their partners to deploy funding effectively and operate programs optimally to meet the needs of all residents. Advisors prioritizes inclusive community engagement and cross-sector collaboration and approaches partnerships with a focus on driving towards equitable outcomes in communities facing complex challenges.*

## PFM

PFM was competitively awarded funding under the FY20–21 DCTA NOFO. With years of experience working in and for local governments on financial management practices, PFM is a needed addition to the set of DCTA provider firms. (The three other DCTA firms typically rely on consultants for the financial management tasks associated with DCTA assignments). The following excerpt was included as their organization description in their successful application.



*PFM was founded in 1975 on the principle of providing sound independent advice to governmental and non-profit entities. It is composed of seven affiliates that are indirect, wholly owned subsidiaries of a holding company known as PFM I, LLC, one of which is PFM Group Consulting LLC. PFM Group Consulting LLC, through our Management and Budget Consulting (MBC) practice, works exclusively on behalf of government and non-profit clients at the intersection of policy, operations, and budgeting to help solve our clients' toughest problems.*

*With decades of experience in public sector management and budget issues, our experienced consultants focus on the complex challenges faced by public sector leaders and deliver in-depth analysis and creative ideas that make a difference.*

*The MBC practice currently has 37 full-time employees, many of whom have prior experience working in the public sector. Our experience informs our approach, the work we do and our expectations for every member of our team. Our careers and our public-sector focus also enable us to work effectively with local elected leadership.*

*Through three decades of providing management and budget consulting services to distressed local governments, PFM has built a proven set of strategies for effective technical assistance including multi-year financial planning, innovative initiative development, economic competitiveness, and resource allocation.*

## BCT Partners

BCT Partners was competitively awarded funding under the FY20–21 DCTA NOFO. BCT brings high-quality and reputable experience in research, data analysis and visualization,

and equity to the DCTA team. The following excerpt was included as their organization description in their successful application.

*Founded in 1999, BCT Partners is a national, multi-disciplinary consulting firm that delivers a full range of research, consulting, training, technology, and analytics services. Our mission is to provide insights about diverse people that lead to equity. Our vision is a world where a greater understanding of diverse people leads to equity. By 2022, we endeavor to be a national leader in helping organizations make better decisions, improve outcomes and amplify their impact toward a more equitable society. BCT is a minority-owned and operated, Federal 8(a) joint venture, small, disadvantaged business enterprise and one of the leading firms in the country with expertise in the following markets: housing and community development, economic development, workforce development, children and families, health, pharmaceuticals and life sciences, education, and energy.*



## **ELIGIBILITY**

DCTA has a mix of statutory and discretionary criteria that govern the entities eligible for technical assistance. From FY 2018 to FY 2023, the explanatory language associated with the THUD funding bills evolved on the basis of congressional priorities and an understanding of community technical assistance needs. HUD translated the language in those funding texts into specific, calculatable eligibility criteria. Reference the previous section of this report for explanatory report excerpts from each funding year.

### **Entity Type**

Before HUD received FY 2021 appropriations and awarded those funds, only UGLGs were eligible to receive DCTA. With the FY 2021 spending bill, Congress included nonprofit organizations as eligible recipients of the TA. Nonprofit organizations may receive technical assistance through this program by partnering with their associated UGLG. They must be established 501(c)3 organizations with a history of working to alleviate poverty in the UGLG's jurisdiction.

### **Population Size**

UGLGs serving relatively small populations are eligible for the DCTA program. The DCTA program caps population size at 40,000 persons for FY 2019 funded technical assistance and at 50,000 for all other funding years.

### **Recent Disaster History**

UGLGs impacted by a natural disaster were a specific focus of appropriators for HUD's FY 2019 DCTA funding. Thereafter funding language included, but did not mandate, providing TA to UGLGs impacted by disaster. To better ensure fulfillment of the FY 19 funding requirements, the DCTA program prioritized TA requests from UGLGs with a recent disaster declaration during the first year of program implementation. As of the time of this report, this prioritization is no longer necessary. All UGLGs requesting TA through this

program were impacted by the presidentially declared COVID-19 disaster, and many of the UGLGs have been impacted by other natural disasters such as earthquakes and flooding.

## **Experiencing Economic Hardship**

UGLGs serving communities experiencing economic hardship are eligible for DCTA. This category includes UGLGs serving communities experiencing socioeconomic distress and census tracts with persistent poverty, defined as follows.

### *Socioeconomic Distress*

The DCTA program uses the calculations and thresholds first developed for the NRN program to determine eligibility. An UGLG must meet only one of these criteria to be eligible:

1. An average unemployment rate of 9 percent or higher for the past 3 years (measured by 5-year ACS estimates).
2. A poverty rate of 20 percent or higher among those not enrolled in higher education.
3. A population decline of 5 percent or higher between the 2010 Census and the most recent census estimates (ACS or decennial).

### *Persistent Poverty*

Persistent poverty eligibility was integrated into the DCTA program with the Consolidated Appropriations Act of 2020. Although not explicitly described as “persistent poverty” in the appropriations language, the act uses a definition that is often invoked in other contexts to define areas experiencing persistent poverty: “[C]ounties or census tracts that have had 20 percent or more of the population living in poverty, as measured by the 1990 and 2000 decennial census and the most recent five-year data series available from the American Community Survey (ACS) of the Census Bureau, and any territory or possession of the United States.”

## **Eligibility Methodology**

Census data track demographic changes in varying sizes of geographies across the nation. For preliminary eligibility calculations, DCTA primarily uses data from the American Community Survey (ACS). The population size and economic hardship calculations detailed in the previous section use the 5-year ACS data. Eligibility is calculated when the request is processed using the most updated data available at that time.

## **TECHNICAL ASSISTANCE REQUESTS AND NEEDS IDENTIFICATION**

### **Submission Content and Instructions**

To request TA under the DCTA program, UGLGs submit demographic information documenting eligibility, basic information about the communities they serve and the challenges they experience, and a narrative on capacity-building needs that may be addressed through TA. UGLGs were initially instructed to submit this information via the DCTA email address. Due to variance in the quality and type of information submitted via email, the DCTA program developed an online form with branching logic to better

guide UGLGs in providing the specific information needed for HUD to process each request. To review the form, see appendix A.

As of the close of FY 2022, the DCTA program had received and processed 42 requests for technical assistance (see exhibit 1). Most of those requests were submitted following national or local outreach efforts. The DCTA program continues to receive funding from congressional leaders and, therefore, has the capacity to work with additional UGLGs. Outreach support is needed to raise awareness of the DCTA program with eligible UGLGs.

## Exhibit 1. Requests for DCTA

Request Status	Count
Approved	20
Canceled—per UGLG request or due to responsiveness issues	3
Denied—UGLG or requested activity not eligible	2
Incomplete	1
On hold—triaging high volume of requests in concentrated geographic area	9
On hold—unresponsive	7
<b>Total</b>	<b>42</b>

**Source:** DCTA tracking spreadsheet used for program management and oversight

### Requested TA

Most of the TA requests HUD receives for DCTA focus on housing and community or economic development needs rather than UGLG capacity-building needs. One possible explanation is that the UGLGs requesting TA are aware of HUD's mission, programs, and services and assume that they must request TA for HUD's existing programs and services. That assumption is not the case, as the scope of TA allowable under DCTA is not limited to HUD's existing programs and services, and a target TA area under the DCTA is general financial management (e.g., multiyear financial planning for the entire UGLG budget). That disconnect is primarily addressed through intake and scope processes, which are detailed in the following section.

### PROGRAM DESIGN

The DCTA program design flows through four key processes: intake, scope, delivery, and followup, as shown in exhibit 2.

#### Exhibit 2. Four Key Processes of the DCTA Program



### Intake

UGLGs submit a request for TA to HUD. HUD staff review the request to assess eligibility and suitability with DCTA program offerings. Following initial review, HUD staff connect with UGLG representatives to clarify organizational and community needs, including explaining the governance and organizational areas that can be supported through DCTA that may not have surfaced in the request. During intake, HUD staff emphasize the requirement that UGLG leadership and staff be actively involved in the process. Although

the DCTA program is managed by HUD headquarters staff, local field offices are invited and encouraged to participate in the process with UGLGs in their service area—starting with the intake phase.

## **Scope**

UGLGs commonly request TA in many areas, which HUD assumes is due to the lack of previous access to TA resources specific to their needs. Therefore, after the intake process, HUD assigns a TA provider to work with the UGLG to further understand their specific highest priority needs and how TA can address them. In most cases, the scoping process results in a summary memo to HUD detailing the subsequent direct TA that may be delivered. The DCTA program has a Capacity Needs Assessment (CNA) Tool to assist providers with this process. The CNA Tool is being revised and will be available on the HUD Exchange once finalized; the previously used CNA Tool is included as appendix B.

Recognizing that UGLGs are eager to receive in-depth TA to meet their needs, HUD staff and TA providers aim for a 3- to 6-month scoping process. However, during the first few years of program implementation, the scoping process took upwards of 18 months, in part due to the COVID-19 pandemic, which caused substantial burdens and workflow disruptions for local governments nationwide (for instance, many of the recipients of DCTA did not have established work-from-home policies or technology access). Other factors in the delayed timeline were the realities of standing up a new program—for example, establishing a working relationship between HUD staff and the awarded TA providers, developing the CNA Tool to the degree that it was ready for use, and developing communication strategies for low-capacity (sometimes part-time or volunteer) UGLG staff.

## **Delivery**

Direct TA is the heart of the DCTA program. It is where the TA provider firms work closely with UGLG representatives and their partners to build skills, knowledge, tools, and other resources and capabilities to move the needle toward meeting their goals. This work may involve the TA firm providing direction and guidance, delivering individualized training, facilitating meetings with industry experts, forming connections with public and private-sector partners, or customizing toolkits. How the provider delivers the TA depends on the UGLG's capacity to engage with the process and is responsive to shifting needs and goals. For example, for a lower priority item or an item with which the UGLG does not have much capacity to engage, the TA provider may direct the UGLG to existing applicable resources, such as best practices. For a higher-priority item or an area in which the UGLG indicates an existing capacity to expand, the TA provider may deploy a sequence of individualized training or mentoring sessions.

## **Closeout and Followup**

In theory, in-depth TA concludes when the UGLG is better equipped to handle the challenges and pursue the goals that were specified as part of the TA scope. In reality, despite the efforts of the scoping process to focus attention and limited UGLG staff capacity on high-priority action items, achieving goals takes considerable time and resources. As UGLGs and the TA providers believe they are achieving those goals and

reaching sustainability, conversations about a closeout timeline arise. Those conversations happen in tandem with the offer for on-call followup assistance to answer questions and provide targeted guidance for approximately 1 year after close-out. The TA provider may recommend specific followup points after closeout—for example, 6 months and 1 year after closeout. Followup is also available to recipient UGLGs on an as-needed basis. If a previous participant in DCTA has new needs, they must submit a new request; the followup is offered only to provide further support in areas already included in a DCTA engagement.

## **Other**

In addition to the bread-and-butter of DCTA, which is the individualized, in-depth TA provided to local governments, providers may develop resources to meet shared needs. For example, in 2020, the DCTA program deployed a series of webinars related to COVID-19 response. In 2022, the DCTA program provided financial management trainings and templates. Three sets of TA products and trainings specific to small, economically distressed UGLGs are under development at the end of FY 2022 to be available in FY 2023. The topics are data resources, navigating relationships to access financial resources, and community safety and violence prevention.

## **COMMUNICATION RESOURCES**

Web-based and print materials and information are available on the DCTA program, including two primary web pages, info sheets, and frequently asked questions.

### **HUD.gov Webpage**

The DCTA program content on HUD's website is written and maintained by the HUD DCTA team. Some categories of information found on the HUD.gov DCTA webpage are eligibility statistics, program purpose, focus areas, the process, and examples. In addition, a handful of program resources are available through this webpage: an info sheet and briefing slides in both English and Spanish, frequently asked questions and answers, an interactive eligibility map, and an online request form. The HUD Exchange is also linked on the main program page.

### **The HUD Exchange Webpage**

The DCTA program content on the HUD Exchange is largely developed and maintained by the DCTA provider Local Initiative Supports Corporation, Inc. or LISC. Whereas the HUD.gov webpage is intended to provide general program information, the HUD Exchange webpage is a resource hub for DCTA participating and eligible UGLGs. These resources were created and are maintained by HUD's DCTA providers. Resources on the DCTA HUD Exchange page include training materials, highlights of peer engagements (spotlights), overviews of relevant funding opportunities, links to toolkits, and more.

### Exhibit 3. Screenshot of HUD.gov Webpage

The screenshot shows a web browser window with the URL [hud.gov/program\\_offices/comm\\_planning/cpdta/dcta](https://hud.gov/program_offices/comm_planning/cpdta/dcta). The page header includes the U.S. Department of Housing and Urban Development logo and navigation links such as "About Us" and "What We Do". The main content area features a breadcrumb trail: "Home / Program Offices / Community Planning and Development / Community Compass TA and Capacity Building Program / DCTA".

## DISTRESSED CITIES AND PERSISTENT POVERTY TECHNICAL ASSISTANCE PROGRAM



Municipality of Coamo – Recipient of DCTA

Download the DCTA Program Info Sheet (English | Español)

### Overview

[ ^ Top ]

The Distressed Cities and Persistent Poverty Technical Assistance (DCTA) program is designed to build capacity of local governments experiencing economic distress and assist local governments and their nonprofit partners in alleviating persistent poverty in specific areas (census tracts). Through DCTA, HUD provides technical assistance (TA) directly to entities serving smaller communities with populations under 50,000.

DCTA considers good fiscal health, strong financial performance, and effective financial management practices to be the foundation for successful implementation of projects and progression towards goals. Therefore, these are central components of the TA offered through this program.

Other possible areas of TA under the DCTA program include **governance and management, leadership development, data and research, building partnerships, community engagement, strategic planning, plan implementation, and program evaluation**. This list is not exhaustive. Please email [distressedcities@hud.gov](mailto:distressedcities@hud.gov) if you need TA in another area and are unsure if it fits within the scope of the DCTA program.

Most DCTA recipients work on building capacity in the areas listed above by identifying a priority challenge or opportunity they would

### General Information

- DCTA Program Info Sheet
  - (English | Español)
- DCTA Program FAQs
- DCTA Program Briefing Presentation
  - (English | Español)

What is technical assistance (TA)?  
Guidance which enables recipients to overcome a lack of specific skills or knowledge and, by doing so, become more successful in meeting the needs of their communities. TA is the transfer of skills and knowledge to entities that may need, but do not possess, such skills and knowledge.

[Request TA Here](#)

### DCTA Resources

Current recipients of DCTA and others looking for resources for economically distressed communities, visit the [DCTA HUD Exchange](#).

### Sampling of Current Recipients

- City of Banning, California
- Municipality of Barranquitas, Puerto Rico
- City Beaver Falls, Pennsylvania
- City of Blythe, California
- City of Clearlake, California
- Municipality of Coamo, Puerto Rico
- Municipality of Comerio, Puerto Rico
- City of Eloy, Arizona
- City of Fairfield, Alabama
- City of Hannibal, Missouri
- Muscogee Nation, Oklahoma
- Municipality of Villalba, Puerto Rico
- City of West Memphis, Arkansas
- Municipality of Yabucoa, Puerto Rico
- City of York, Alabama

Source: [HUD.gov](https://hud.gov)

## Exhibit 4. Screenshot of HUD Exchange Webpage

The screenshot shows a web browser window with the URL [hudexchange.info/programs/dcta/](http://hudexchange.info/programs/dcta/). The page header includes the HUD Exchange logo and navigation links for Programs, Resources, Trainings, Program Support, Grantees, and News. A navigation bar at the top right contains the text "NEED HOUSING ASSISTANCE?", "Email Updates", and "Log In".

### Distressed Cities and Persistent Poverty Technical Assistance

The Distressed Cities and Persistent Poverty Technical Assistance (DCTA) program is designed to improve fiscal health and build administrative capacity of relatively small units of general local government (UGLGs or local governments) and their nonprofit partners in places experiencing persistent poverty and economic distress. A community's needs may be attributable to multiple factors including but not limited to changing market dynamics, emigration, and/or natural disasters.

DCTA considers good fiscal health, strong financial performance, and effective financial management practices to be the foundation for local governments and nonprofits to successfully obtain funding, implement projects, and accomplish goals. These are viewed as the central components of the technical assistance (TA) offered through this program. Other possible areas of TA under this program include governance and management, leadership development, data and research, building partnerships, community engagement, strategic planning, plan implementation, and program evaluation.

### What are the benefits of participating in the DCTA Program?

This program is designed to help small local governments and their nonprofit partners:

- **Improve Financial Management:** Adopt effective, efficient, and sustainable (long-term) financial management practices that improve fiscal health
- **Improve Internal Processes:** Based on the local government and nonprofit's needs, improve internal processes, such as:
  - Developing financial policies and procedures
  - Gathering and analyzing data that is representative of the community
  - Implementing or tracking progress of recently adopted planning documents
  - Building cross-sector partnerships
  - Establishing equitable community engagement practices
- **Build Program Capacity:** Based on the local government's interests, build capacity program areas, such as:
  - Creating opportunities for economic revitalization and growth
  - Planning for economic stabilization and recovery post disaster (including prolonged disasters and public health crises)
  - Strategizing around housing and community development projects, including identifying funding
  - Leveraging federal development programs such as opportunity zones

### Key Phases of the DCTA Engagement

Phase II:

### Engagement Spotlight

Each quarter, a new Engagement Spotlight will showcase some of the exciting achievements by local governments and nonprofits participating in the DCTA program. In this space, we uplift and share positive outcomes in communities actively engaging with the DCTA program!

Current Spotlight: Coamo, PR

[View Spotlight](#)

### Resources, Tools, Webinars, and Guidance

In addition to direct support from field experts, the DCTA program provides a wealth of resources compiled in the DCTA Resources Library which is updated bi-weekly.

- Stay up to date on key information to help guide local strategies and decisions.
- Access the latest tools, guidance, studies,

Source: [HUD Exchange](http://HUD Exchange)

## ENGAGEMENTS

As of the close of FY 2022, the DCTA program is delivering TA in nine states or territories—Alabama, Arizona, Arkansas, California, Missouri, Oklahoma, Oregon, Pennsylvania, and Puerto Rico. Engagement details are provided in the following tables. The tables do not include information on canceled, denied, pending, or on-hold requests for TA.

Engagement spotlights for New Castle, Pennsylvania; Hannibal, Missouri; and Coamo, Puerto Rico are in appendix C. Additional information about specific engagements—such as recipient perspectives, followup TA activities, and engagement outcomes—may be included in the FY 2023 annual report on DCTA.

Exhibit 5 provides information on DCTA engagements approaching completion or deep into the process of direct TA delivery. The following section contains examples of each category of effective governance and community project TA.

### Exhibit 5. DCTA Engagements Approaching Completion or Well Underway

UGLG	Economic Hardship Eligibility	Start Date	Engagement Status	Effective Governance TA	Community Project TA
Coamo, Puerto Rico	Population Decline, Unemployment, Poverty	12/2019	Approaching Completion	<ul style="list-style-type: none"> <li>Fiscal health and financial management</li> <li>Program, grant, and regulatory compliance and administration</li> <li>Cross-sector partnership</li> </ul>	<ul style="list-style-type: none"> <li>Disaster recovery and emergency management</li> <li>Economic and workforce development</li> <li>Housing quality, stability, and affordability</li> </ul>
Paradise, California	Population Decline	1/2020	Completed; Followup Available	<ul style="list-style-type: none"> <li>Program, grant, and regulatory compliance and administration</li> <li>Cross-sector partnership</li> <li>Inclusive community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Market activity and land use</li> <li>Disaster recovery and emergency management</li> <li>Housing quality, stability, and affordability</li> </ul>
Hannibal, Missouri	Poverty	4/2020	Completed; Followup Available	<ul style="list-style-type: none"> <li>Fiscal health and financial management</li> <li>Program, grant, and regulatory compliance and administration</li> </ul>	<ul style="list-style-type: none"> <li>Market activity and land use</li> <li>Economic and workforce development</li> </ul>
Yabucoa, Puerto Rico	Unemployment, Poverty	4/2020	Approaching Completion	<ul style="list-style-type: none"> <li>Fiscal health and financial management</li> <li>Program, grant, and regulatory compliance and administration</li> </ul>	<ul style="list-style-type: none"> <li>Disaster recovery and emergency management</li> <li>Economic and workforce development</li> <li>Housing quality, stability, and affordability</li> </ul>

Clearlake, California	Unemployment, Poverty	7/2020	Approaching Completion	<ul style="list-style-type: none"> <li>• Program, grant, and regulatory compliance and administration</li> <li>• Inclusive community engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Economic and workforce development</li> </ul>
Blythe, California	Unemployment, Poverty	8/2020	Ongoing	<ul style="list-style-type: none"> <li>• Program, grant, and regulatory compliance and administration</li> <li>• Cross-sector partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Housing quality, stability, and affordability</li> </ul>
West Memphis, Arkansas	Population Decline, Unemployment, Poverty	12/2020	Approaching Completion	<ul style="list-style-type: none"> <li>• Governance management and administration</li> <li>• Cross-sector partnership</li> <li>• Inclusive community engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Market activity and land use</li> <li>• Economic and workforce development</li> </ul>
Eloy, Arizona	Unemployment, Poverty	12/2020	Approaching Completion	<ul style="list-style-type: none"> <li>• Program, grant, and regulatory compliance and administration</li> </ul>	<ul style="list-style-type: none"> <li>• Disaster recovery and emergency management</li> <li>• Housing quality, stability, and affordability</li> </ul>
New Castle, Pennsylvania	Unemployment, Poverty	12/2020	Completed, Followup Available	<ul style="list-style-type: none"> <li>• Governance management and administration</li> <li>• Cross-sector partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Economic and workforce development</li> </ul>
Beaver Falls, Pennsylvania	Poverty	3/2021	Ongoing	<ul style="list-style-type: none"> <li>• Governance management and administration</li> <li>• Fiscal health and financial management</li> </ul>	<ul style="list-style-type: none"> <li>• Economic and workforce development</li> <li>• Housing quality, stability, and affordability</li> </ul>
Banning, California	Unemployment, Poverty	5/2021	Ongoing	<ul style="list-style-type: none"> <li>• Governance management and administration</li> <li>• Fiscal health and financial management</li> <li>• Cross-sector partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Economic and workforce development</li> <li>• Housing quality, stability, and affordability</li> </ul>

TA = technical assistance. UGLG = unit of general local government.

Source: Synthesis of work plans and reports provided by the TA providers and DCTA tracking spreadsheet used for program management and oversight

Exhibit 6 provides information on recent DCTA engagements that are relatively early in the TA delivery process. The TA areas noted for cross-cutting governance and direct community are planned or anticipated focus areas.

## Exhibit 6: TA Engagements in Early Stage

UGLG	Economic Hardship Eligibility	Start Date	Engagement Status	Effective Governance TA	Community Project TA
Talent, Oregon	Population Decline	11/2021	Ongoing	<ul style="list-style-type: none"> <li>Governance management and administration</li> <li>Fiscal health and financial management</li> <li>Inclusive community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Economic and workforce development</li> </ul>
Fairfield, Alabama	Unemployment	2/2022	Ongoing	<ul style="list-style-type: none"> <li>Fiscal health and financial management</li> </ul>	<ul style="list-style-type: none"> <li>Market activity and land use</li> <li>Economic and workforce development</li> <li>Housing quality, stability, and affordability</li> </ul>
Muscogee Nation, Oklahoma	Persistent Poverty	3/2022	Ongoing	<ul style="list-style-type: none"> <li>Program, grant, and regulatory compliance and administration</li> <li>Cross-sector partnership</li> </ul>	<ul style="list-style-type: none"> <li>Financial well-being</li> <li>Economic and workforce development</li> <li>Housing quality, stability, and affordability</li> </ul>
York, Alabama	Persistent Poverty	4/2022	Ongoing	<ul style="list-style-type: none"> <li>Governance management and administration</li> <li>Fiscal health and financial management</li> <li>Inclusive community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Economic and workforce development</li> </ul>
Barranquitas, Puerto Rico	Population Decline, Unemployment, Poverty	5/2022	Ongoing	<ul style="list-style-type: none"> <li>Fiscal health and financial management</li> <li>Program, grant, and regulatory compliance and administration</li> </ul>	<ul style="list-style-type: none"> <li>Market activity and land use</li> <li>Economic and workforce development</li> </ul>
Villalba, Puerto Rico	Unemployment, Poverty	5/2022	Ongoing	<ul style="list-style-type: none"> <li>Fiscal health and financial management</li> <li>Program, grant, and regulatory compliance and administration</li> <li>Cross-sector partnership</li> </ul>	<ul style="list-style-type: none"> <li>Housing quality, stability, and affordability</li> </ul>
Comerio, Puerto Rico	Population Decline, Unemployment, Poverty	6/2022	Ongoing	<ul style="list-style-type: none"> <li>Fiscal health and financial management</li> </ul>	<ul style="list-style-type: none"> <li>Market activity and land use</li> <li>Disaster recovery and emergency management</li> <li>Economic and workforce development</li> </ul>

TA = technical assistance. UGLG = unit of general local government.

Source: Synthesis of work plans and reports provided by the TA providers and DCTA tracking spreadsheet used for program management and oversight

## TA ACTIVITIES

DCTA provides in-depth TA to local governments in two primary areas (effective governance and community projects) and many subareas. Exhibit 7 describes examples of TA activities provided under each subarea.

**Exhibit 7: Examples of Activities Within TA Subareas**

<b>Effective Governance</b>	<b>Examples of TA Activities</b>
<b>Fiscal health and financial management</b>	Addressing adverse audit findings and opinions, developing a multiyear financial plan, and improving timekeeping processes
<b>Governance management and administration</b>	Leadership coaching, internal communications, consensus building, restructuring departments and personnel, and developing position descriptions
<b>Program, grant, and regulatory compliance and administration</b>	Responding to requests for proposals (RFPs), communicating with grantors and funders, improving internal controls, and maximizing benefits of existing grants
<b>Cross-sector partnerships</b>	Establishing connections with like-minded organizations, facilitating meetings and events across sectors, and improving communications with other local governments
<b>Inclusive community engagement</b>	Engaging youth, implementing surveys, developing outreach materials, and hosting public meetings
<b>Community Project TA</b>	<b>Examples of TA Activities</b>
<b>Market activity and land use</b>	Developing a land bank or community land trust strategy, assessing property feasibility for specific uses, managing property title and ownership issues, and improving property tax collection
<b>Economic and workforce development</b>	Attracting employers, coordinating incentives with existing employers, supporting small businesses, and developing or implementing downtown or main street revitalization strategy
<b>Disaster recovery and emergency management</b>	Assessing damage, learning about disaster-specific resources, rebuilding more resiliently, and preparing for receipt and management of large grants associated with recovery
<b>Housing quality, stability, and affordability</b>	Improving access to subsidy programs for eligible families, developing strategies for rehousing families, and identifying funds for housing development or rehabilitation

TA = technical assistance.

Source: Staff knowledge from program oversight

## **OVERSIGHT**

HUD oversees the deployment of TA resources under the DCTA program. Oversight includes three key roles: the Cooperative Agreement Officer (CAO), Government Technical Representative (GTR), and Government Technical Monitor (GTM). This structure is the same as that of HUD's main TA program—the Community Compass Technical Assistance Program. The CAO and GTR are in HUD's Technical Assistance Division (TAD) and are dedicated to overseeing and improving TA delivery at HUD. The GTM is in the program office, the Office of Policy Development and Research for DCTA, and focuses on the direction and content of TA to ensure that it aligns with the program focus areas and recipients' stated needs.

## **CONCLUSION**

The DCTA program provides essential support to UGLGs in financial management, data collection and analysis, leadership development, community development, disaster recovery, and more. The first 2 to 3 years of program implementation focused on refining the program design, structure, and communications. Between standing up the new TA program and the challenges experienced due to the COVID-19 pandemic, TA delivery and progress have been much slower than anticipated. Only a small number of engagements were concluded during this report period, and all of them ended at the end of the reporting period (between June and September of 2022). The early engagements revealed many lessons learned that may be integrated into ongoing and future TA investments. For fiscal year 2023—in addition to visiting recipients to learn more about their experience participating in the program, analyzing outcomes, and synthesizing lessons learned—a key goal is to conduct robust outreach to eligible communities to encourage them to apply.

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