

# U.S. Department of Housing and Urban Development

## Distressed Cities Technical Assistance Program

### Capacity Needs Assessment

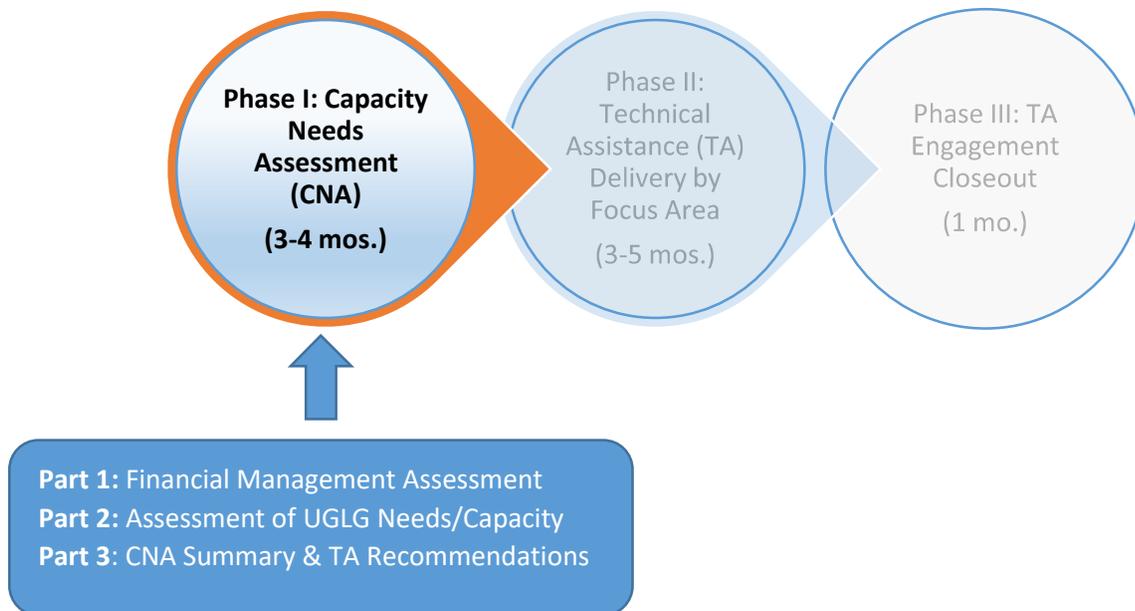


The U.S. Housing and Urban Development (HUD) Distressed Cities Technical Assistance (DCTA) Program is designed to build the administrative capacity of units of general local government (UGLGs), tribal governments, and local governments in U.S. territories with populations under 40,000 that are struggling to recover from natural disasters and economic decline. The DCTA Program will provide sustainable, community-specific technical assistance that will build the capacity of the UGLG to deliver long-term change to its community.

When HUD selects an eligible unit of general local government (UGLG) to participate in the DCTA Program, the HUD Technical Assistance (TA) provider contacts the local government to initiate the first step in the DCTA process, the Capacity Needs Assessment (CNA).

### PROCESS

The CNA is the first of three phases of the overall TA engagement under the DCTA program. The three phases are:



### PURPOSE

The CNA will be performed by the TA provider's CNA Team and serves as the initial engagement between the provider, HUD and the local government. The CNA will help the TA provider to:

- Establish baseline financial information using factual data through audits and financial reports;
- Understand and confirm the needs that were identified in the DCTA request and the local government's readiness, willingness, and capacity to engage; and
- Inform the development of a subsequent TA work plan to address the challenges of the UGLG and community.

## GOALS

The goals of the DCTA CNA are to:

- **Assess local capacity in:**
  - **Existing financial management practices**, including budgeting, tracking and evaluating costs, procurement, and reporting.
  - **Knowledge** of federal, state, county and local programs and how these can be leveraged to build capacity, where appropriate.
  - **Organizational and governance structure** of the local UGLG, including capacity of the UGLG to sustain the benefits of a TA engagement.
  
- **Identifying challenges and opportunities related to:**
  - **Governance and financial management** in order to establish improved policies, procedures, underwriting guidelines, and tools.
  - **Disaster recovery and resilience planning** including identifying, pursuing and implementing public and private funding programs.
  - **Internal and external partnership development** that can be strengthened to improve the UGLG's ability to meet their needs and fill capacity gaps.
  - **Private sector investment** attraction to address topics including but not limited to affordable housing, economic development, workforce development, job creation.

The DCTA CNA is ***not***:

- **A compliance or monitoring review** – The CNA seeks to determine the UGLG's "current state" in order to develop a TA plan to improve financial management, build administrative capacity and knowledge, bolster community resilience and, where appropriate, develop case studies and best practices for use by other small UGLGs. It is ***not*** intended to determine whether the UGLG's projects comply with applicable program rules.
- **An in-depth market study** – While the CNA Team may evaluate the UGLG's activities considering basic market data and the needs identified in its various Plans, the CNA is not intended to collect or evaluate detailed market data or trends.
- **A detailed workforce or workload analysis** – The CNA may determine whether the UGLG has enough staff with adequate skills in an effective organizational structure. It will not, however, map job duties or conduct in-depth workload or efficiency studies.
- **An assessment of every partner that is related to the DCTA request** – Unless the UGLG has just a few partners, the CNA Team will meet with a select number of partners that will be chosen based on the scope of the TA request. Selection of partners will be conducted in consultation with the UGLG.

## COMPONENTS

The CNA may include a desktop analysis, document collection and reviews, data analysis, surveys, interviews and focus groups by phone or through web-based teleconferencing. When necessary and on a limited basis, a portion of the CNA will be conducted on site. The CNA is comprised of the following parts:

- **Part 1 – Financial Management and Fiscal Health Analysis:** A sound analysis of financial management capacity, financial performance, and fiscal health is critical to a successful TA engagement. This analysis will help the UGLG understand its overall fiscal condition; identify opportunities to improve capacity gaps; and provide crucial data to guide the CNA Team toward specific technical assistance interventions intended to improve long-term sustainability. CNA

team members will conduct interviews with UGLG staff to clarify data identified during the analysis.

**Estimated period of engagement: 4-6 weeks.**

- **Part 2 – Assessment of Community Needs/Capacity:** Through document and data review, analysis, and interviews, the CNA Team will complete an analysis that is informed by Part 1 findings and will seek to gain a better understanding of the requested needs of the UGLG. Based on the requested assistance, this may include reviews of economic stabilization and recovery planning; affordable housing financing; utilization of federal development programs; or financing economic development projects. The findings will be informed through current documents and reliable data made available by public websites, and through interviews and document sharing with key UGLG staff and stakeholders. The Assessment will include quantitative and qualitative information that will highlight key capacity gaps and opportunities impacting the community. This analysis may be performed concurrently with the Financial Management and Fiscal Health Analysis.

**Estimated period of engagement: 4-6 weeks.**

- **Part 3 – CNA Report and TA Recommendations:** The reports generated from Parts 1 & 2 will be included in the CNA Summary Report. This report will also summarize key findings, identify capacity gaps, and recommend clear TA interventions designed to solve specific opportunity gaps. The final report will be submitted to the HUD DCTA Team and the UGLG for review and to formulate a plan for technical assistance.<sup>1</sup>

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<sup>1</sup> A translated copy will be provided to municipal staff whose primary language is Spanish.