

**Final and Approved
Persistent Poverty Counties Recommendations
presented by the
Community Development Advisory Board
to
CDFI Fund Director Jodie Harris
August 27, 2020**

BACKGROUND

The Community Development Advisory Board (CDAB) occasionally creates subcommittees to gather and present information to the CDAB so that it can then advise the CDFI Fund on policy and program recommendations.

This subcommittee was formed on August 23, 2018 to examine how the CDFI Fund might optimize its results in Persistent Poverty Counties (PPCs). Since its formation, the subcommittee has convened three meetings. It has formulated its positions and recommendations based on information gathered from CDFI Fund staff presentations, its review of Requests for Public Comment published by the CDFI Fund in the Federal Register, and from the individual experience and expertise of the subcommittee members for which they were appointed to the CDAB.

In accordance with the Federal Advisory Committee Act, all information gathered and developed by the Subcommittee will be presented to the full CDAB for consideration and deliberation. Approved recommendations will then be presented as advice by the CDAB to the Director of the CDFI Fund. The Subcommittee itself has not provided advice to the CDFI Fund directly.

RECOMMENDATIONS FOR CONSIDERATION

The subcommittee would like to first commend the CDFI Fund for consistently exceeding the amount (10%) that Congress has mandated award recipients under the Bank Enterprise Award Program (BEA Program), CDFI Program, and Native American CDFI Assistance Program (NACA Program) deploy in Persistent Poverty Counties.

We also recognize the efforts of the CDFI Fund since the creation of this subcommittee by publishing three Requests for Public Comment in the Federal register related to the PPC information it collects in its applications, possible changes to how it prioritizes awards to applicants that propose to invest in PPCs, and the information it collects in its Use of Award Report Form.

Recognizing the challenging circumstances and unique characteristics of PPCs, this subcommittee recommends, in addition to the efforts already taken by the CDFI Fund to optimize results in PPCs, that the CDFI Fund consider:

- Creating a comprehensive PPC training curricula under its Capacity Building Initiative. The curricula should be comprehensive in scope and multifaceted, such as the Building Native CDFIs' Sustainability and Impact Training series, and include modules that address the areas of knowledge which are specific to PPCs and the unique needs of CDFIs that serve them.
- The development of the curricula should be based upon an assessment of the Building Native CDFIs' Sustainability and Impact Training series to determine its strengths and what might need to be modified to the curricula to help PPCs assess their needs and determine if they should create new CDFIs or build the capacity of existing CDFIs to serve those PPCs.
- The curricula should consist of modules to address the unique needs of PPCs and could include the following topics:
 1. The Basics of CDFIs: What is a CDFI, steps to establish a CDFI and to obtain CDFI Certification, and how to keep one growing. This could be gleaned from past successful Capacity Building Initiative training series;
 2. How to create, develop and maintain a local talent pool for PPC CDFI leadership. Possibly explore the creation of a mentor-protégée program between large CDFIs and smaller CDFIs that are located in and/or serve PPCs;
 3. How to assess and establish intentional partnerships with regional financial institutions and philanthropic entities to create a supportive ecosystem to flourish in;
 4. Develop peer-to-peer learning opportunity within the CDFI industry, particularly among those that serve PPCs, for information sharing and best practices discussions with CDFIs located in and/or that serve PPCs; and
 5. Provide on-site technical assistance visits by experts/trainers to help the leadership of CDFIs located in and/or that serve PPCs.
- Explore the viability of the CDFI Fund/U.S. Department of the Treasury establishing a national partnership with philanthropic organizations that would facilitate awareness of local philanthropic capacity building programs and PPC CDFIs.