

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT



Fiscal Year 2022 Budget Oversight Hearing for:

Department of Small and Local Business Development

Statement of
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Director

Before the
Committee on Business and Economic Development
Kenyan McDuffie, Chairman

Virtual Hearing

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9:00AM

Good Morning, Chairman McDuffie, members of the Committee, staff, and residents of the District of Columbia. My name is Kristi C. Whitfield and I have the privilege of serving as the Director of the Department of Small and Local Business Development, also known as DSLBD. I am grateful for the opportunity to testify today on Mayor Bowser's Fiscal Year 2022 Fair Shot Budget.

Having recently celebrated our nation's second Memorial Day during this global health crisis, I found myself reflecting this year on the ultimate sacrifices of the men and women in the U.S. military who died for our freedoms, the sacrifices of our local frontline and essential workers who risked their lives daily for the District's 700,000 residents, and the over 1,000 Washingtonians who lost their lives to this virus.

Thankfully, today, the District continues to forge ahead with its vaccine rollout, and we are on track to reach our goal of having 70 percent of adults partially or fully vaccinated by July 4. The curve we so desperately tried to flatten a year ago continues to drop, and to trend, in the right direction, and those who live, work, and play in the District are increasingly returning to pre-pandemic activities.

I would like to take a moment to express my gratitude to the staff at DSLBD who have adapted to this everchanging environment without sacrificing the level of service and enthusiasm we have always provided towards our local businesses.

While I detailed many of the agency's FY21 activities and accomplishments at the recent February Performance Oversight hearing, this team never ceases to find ways to support District businesses. Since then, DSLBD has:

- Awarded a third round of Robust Retail grants to 106 businesses across all 8 wards totaling close to \$800,000;
- Partnered with the Kiva Hub to help unbanked, or underbanked, businesses and entrepreneurs unlock capital through creative crowdfunding loans;
- Assisted PTAC clients in securing over \$16M in contract awards;
- Integrated new Local Business Enterprise requirements and the new Equity Impact Enterprise classification into the certification process;
- Continued our sports wagering educational series in collaboration with the University of Nevada Las Vegas;
- Launched an educational series in partnership with Turner Construction which has helped over 40 business owners learn how to become subcontractors;
- Supported the Golden Triangle BID on Grow Golden, a new initiative connecting makers, restaurateurs, and creatives to ground floor pop-up retail spaces; and
- Completed over 610 virtual compliance and enforcement spot checks.

Of course, none of these actions would have been possible without the leadership and unwavering support of Mayor Bowser. From the outset of the coronavirus, the Mayor understood that prioritizing the sustainability of local businesses was critical to the District's economic recovery. This priority is made evident in the FY22 Fair Shot Budget.

The \$17.5B Budget places paramount emphasis on equity, with targeted investments in returning citizen entrepreneurs, businesses in Wards 7 and 8, equity impact enterprises, a centralized technical assistance hub to help underserved businesses, and data collection systems.

Specifically included in DSLBD's budget is an additional \$175,000 to restore total ASPIRE program funding to \$250,000. This increase will provide greater financial and technical assistance for returning citizen entrepreneurs. In addition, the Mayor's Budget includes \$300,000 for the establishment of a new program designed to support returning citizens wishing to gain entry into the competitive, high-barrier cannabis industry.

Mayor Bowser also continues to place an emphasis on supports for microbusinesses east of the river by investing an additional \$300,000 into the Dream Grants program for a total of \$500,000. To date, DSLBD has awarded more than 70 small businesses in these wards a total of \$700,000 in grants. And, I am happy to say that all Dream Grantee businesses continue to remain operational despite the devastating effects of the pandemic.

The Fair Shot Budget also provides \$2M for the Inclusive Innovation Equity Impact Fund. This Fund will facilitate purposeful investments in District Equity Impact Enterprises, disadvantaged businesses that traditionally have lacked access to capital and technical assistance.

I have always stressed the important role technical assistance plays in helping business owners gain access to lucrative opportunities. I have also said that COVID really highlighted for many businesses the difference between a "bank account" and a "banking relationship." The Mayor understands how critical it is to build relationships with financial institutions when trying to grow and sustain a business and technical assistance is an integral part of this relationship building.

That is why the Mayor's Budget invests \$6.9M in a Small Business Coaching and Technical Assistance ("TA") Hub to better assist local businesses in marketing, visual merchandising, inventory management, accounting, and strategic planning for growth. Acting as a central resource, the goal of the Hub will be to direct businesses to a series of providers tailored to address their specific needs. This will demystify the TA process, increase TA access for underserved businesses, and improve the overall effectiveness for businesses navigating these supports.

The last equity-driven investment I would like to underscore is the \$720,000 in critical capital investments for the District Enterprise System ("DES"). The DES has proven to be a transformative tool that has improved the overall level of transparency both businesses and the District have into the local contracting and procurement process. In addition, the DES continues to simplify a business' ability to efficiently identify current District government opportunities. For example, the February 2021 release of the DES District CBE Waiver Portal has empowered business owners by allowing them to self-select which waiver notifications they receive based on NIGP code.

A fully-funded DES will afford the District more insight into who is availing themselves of contracting opportunities at all tiers. This will improve the District's collection, tracking, and

evaluation of spending and demographic data to better assess the utilization of contractors and subcontractors on District projects as well as the impact of potential equity measures.

In addition to these specific equity-driven investments, the Mayor's Budget ensures that DSLBD has the resources the Department requires to continue to support small and local businesses throughout the pandemic's recovery phase. As part of a 10.3 percent increase in DSLBD's operational budget, the Mayor's Budget adds one additional FTE to DSLBD's Commercial Revitalization Division to further support the great work of our Main Streets and Clean Teams. Mayor Bowser understands that our economic corridors are integral to our economic recovery and, since she took office, the number of Main Streets and Clean Teams have increased exponentially – now totaling 26 and 36, respectively.

Chairman McDuffie, again, the Mayor's Budget will ensure that traditionally underserved populations across the District have increased access to opportunities, services, and supports and will ensure that the Department has the funding necessary to further its mission. I know that we both care deeply about the betterment of the small and local business community and I look forward to continued collaboration.

In closing, I also look forward to working together in the near future to pass, B24-46, the "Supporting Local Business Enterprises Amendment Act of 2021," legislation reintroduced by the Mayor that makes substantive and thoughtful changes that will strengthen the integrity of the CBE Program.

Thank you, again, for the opportunity to testify today. I am happy to answer any questions.