

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



Fiscal Year 2020-2021 to date Performance 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 at today's Fiscal Year 2020 through 2021 to date Performance Oversight Hearing.

This past year was defined by a triad of crisis, response, and resilience. The advent of a global pandemic, coupled with the dire health and financial anxieties that followed, disrupted the lives of those who live, work, and play in the District. As the world gradually learned more about an unyielding coronavirus that knew no geographical or socioeconomic boundaries, it became clear that small businesses across the nation were bearing the brunt of COVID-19's effects on the commercial sector, with the District's small businesses seeing the third largest negative impact and sixth largest closure rate out of 53 U.S. major cities.

From the outset of the coronavirus, Mayor Bowser understood that prioritizing the sustainability of local businesses was critical, because, when our businesses succeed, so do our communities, neighborhoods, and residents. That is why the bulk of DSLBD's FY20 operations centered on helping businesses to pivot and survive. To do this, we knew we needed to get information and funds directly into the hands of business owners to help them overcome the obstacles caused by the pandemic.

Through the work of our Innovation and Equitable Development division, the agency awarded and disbursed a total of \$800,000 in Citywide Robust Retail grants to 106 small businesses in agency-record time. The competition for these timely grants closed on March 15, shortly after the public health emergency was declared.

In addition to expanding the use of grant funds to directly support unforeseen COVID-19 costs for awardees, DSLBD was able to double the awardee pool because of an infusion of \$330,000 from the Office of the Deputy Mayor for Planning and Economic Development ("DMPED"). Also, in October, the agency awarded \$210,000 in Dream Grants to 21 microbusinesses east of the river. Most recently, this January, we launched another round of Robust Retail grants to provide added relief of up to \$7,500 to eligible District businesses.

Our Commercial Revitalization team continues to collaborate with community stakeholders along our commercial corridors to minimize the negative effects of COVID-19. From the outset of the pandemic, this team led the Administration's #DCHOPE Small Business Startup Supplies initiative, delivering over 2,995 packages of PPE equipment to local businesses through our Main Streets and Business Improvement District ("BID") networks. The team was also instrumental in helping the Main Streets reconfigure their operations, and repurpose their budgets by redirecting over \$750,000 into sub-grants for more than 300 local businesses.

Immediately after the public health emergency was declared last March, the Bowser Administration worked expeditiously to secure a declaration for economic injury assistance from the Small Business Administration ("SBA"). This timing allowed District businesses to be first in line in the region to apply for low-interest disaster loans.

As federal funds were made available through the CARES Act, DSLBD's Procurement and Technical Assistance Center ("PTAC") spearheaded communications with the business community by disseminating information on the new programs and resources available and helped many business owners navigate the federal application process. PTAC continues to provide support to businesses, helping them to apply for the most recent federal relief offered through the Consolidated Appropriations Act. In addition to this direct COVID-19 assistance, PTAC counselors engaged with over 3,700 clients and event attendees, and connected local businesses to approximately \$20 million in contracting and procurement opportunities in FY20 and FY21, to date.

Alongside grants, information sharing, and counseling, DSLBD made fundamental changes in daily operations to best align with the District's goal of flattening the curve. Most notably, we transitioned to a virtual model for many of the services we traditionally offered in person.

We modified our certification and compliance operations to include virtual site visits and spot checks. Virtual site visits have allowed enterprises to seamlessly and safely apply for CBE status during the pandemic. Meanwhile, virtual compliance spot checks continued to bolster the agency's overall enforcement presence and allowed us to stand steadfast in our commitment to curb fraud and abuse through increased visibility over program participants. To date, the agency has conducted over 130 virtual site visits and over 700 virtual spot checks.

Adapting to a virtual platform also proved fruitful in promoting local talent during COVID-19. In September, DSLBD, in partnership with the DC Commission on the Arts and Humanities, hosted "Art All Night: 2020 Virtual Edition." This two-week, online festival showcased over 100 artists, restaurants, and businesses across all 8 wards and garnered over 275,000 engagements with viewers on social media. In addition, our #iBuyDC campaign, inspired by Small Business Saturday, featured a number of local makers and retailers and is a viral success on Twitter.

We also continued our commitment to increasing access to capital and opportunities for District businesses. Last January, DSLBD and DISB launched the DC Capital Connector, a free, online matchmaking tool that connects small businesses to lenders and bonding agents with the push of a button. In November, our BizOps division held a virtual version of District Connect, the agency's annual business expo. This two-day event allowed District businesses to participate in workshops, matchmaking sessions with contracting officers and beneficiaries, and consultations with lenders, insurance providers and bonding agents.

Finally, we increased access to information by making the sixth annual Green Book completely digital. The Green Book highlights SBE spending availability by agency and is a testament to the Mayor's dedication to giving our local businesses a Fair Shot to thrive in the District. I am pleased to report that the District surpassed its FY20 SBE spend goal of \$910 million by spending close to a record-breaking \$1 billion with SBEs. And, I can confidently state that this Administration will continue to prioritize District dollars being spent with local businesses.

Looking ahead towards the remainder of FY21, DSLBD will continue its mission of supporting District-based businesses, but with greater attentiveness to equity as our government strives to be more deliberately inclusive.

With that said, Chairman McDuffie, I look forward to our continued collaboration for the betterment of the local business community, as well as working together to enact legislative reforms to strengthen the CBE program.

In closing, I would like to extend a heartfelt “thank you” to the frontline workers who selflessly risk their lives to ensure that the District’s 700,000 plus residents stay safe and healthy. I would also like to voice my great appreciation for the team at DSLBD, who suit up every day to advance the interests of small and local businesses in the District.

And, last, but not least, I would like to thank Mayor Muriel Bowser whose leadership continues to navigate us through the uncharted territory of an evolving pandemic and, most recently, the resounding effects of an unspeakable insurrection that occurred right in our own backyard. Her governance, candor, firmness of purpose, and resolve will undoubtedly see us through this tough time.

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