

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Small and Local Business Development**



FY21 Budget Oversight Hearing

Department of Small and Local Business Development

**Kristi C. Whitfield
Director**

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

Virtual Meeting

May 27, 2020
3:00 p.m.



Good afternoon, Chairman McDuffie, members of the Council, 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 before you today regarding DSLBD's Fiscal Year 2021 Budget. As you know, DSLBD's mission is to support the development, economic growth, and retention of District-based businesses. The Bowser Administration understands that prioritizing this retention, as well as the sustainability of our local businesses, is more important now than ever before given the disruptive and unprecedented nature of the COVID-19 pandemic.

First and foremost, I would like to express my gratitude for those frontline workers who have been risking their lives every day to ensure that the District's 700,000 plus residents remain safe and healthy. To the District's healthcare workers, police officers, firefighters, paramedics, grocery store clerks, mail carriers, and others – I, on behalf of DSLBD, extend a heartfelt thank you.

In addition, I would like to thank Mayor Muriel Bowser for cautiously steering the District through this uncharted territory. Her leadership, candor, firmness of purpose, and overall resolve will undoubtedly see us through this crisis.

I would also like to voice my great appreciation for the team at DSLBD who suit up every day, whether virtually or in person, to further the interests of small and local businesses in the District. Throughout this public health emergency, they have made it a top priority to personally call and check in with every single certified business enterprise to inquire whether there is anything DSLBD can do to further assist them with their small business needs. This team realizes that when District businesses succeed, so do the communities, neighborhoods, and District residents who depend upon those local businesses for employment, goods, and services.

When I became DSLBD's Director two-and-a-half years ago, I challenged my staff to re-envision how we champion the District's small business community, and to reimagine how we engage with this community in order to remain effective and relevant. Little did I know how germane this challenge to re-envision and reimagine the way that we work would be in the era of the novel coronavirus. Not only did the team accept this challenge, but during these recent and unparalleled times, DSLBD demonstrated its ability to pivot quickly in order to deliver on behalf of our small and local businesses.

In direct response to COVID-19, DSLBD worked to combat the negative effects of this virus on small and local businesses by:

- Securing a Small Business Administration declaration for economic injury assistance allowing District businesses to be the first in line in the region to apply for pandemic disaster loans;
- Awarding, and quickly disbursing, close to \$800,000 in Robust Retail grants;
- Collaborating with the Office of the Deputy Mayor for Planning and Economic Development to promote and score over \$30M in small business recovery microgrants;

- Helping the District's 24 Main Streets reposition their operations, repurpose their budgets to meet the changing demands of impacted businesses, and award over \$750,000 in subgrants to over 300 local businesses;
- Assisting numerous businesses across all industries with federal loan application processes;
- Utilizing the DC Business Toolkit to direct businesses to resources offered through DSLBD's CDFI partners; and
- Organizing and participating in a host of tele town halls and webinars geared towards helping businesses find new and innovative ways to pivot, survive, and thrive.

Of course, none of these actions would have been possible without the resolute support of Mayor Bowser. Since the beginning of her administration, Mayor Bowser has been committed to creating pathways to success for small and local businesses in the District. This commitment is reflected in her FY21 Budget.

While the COVID-19 pandemic has undoubtedly forced the District to make tough budgetary decisions, the Mayor's FY21 Budget, which emphasizes HOPE (Health, Opportunity, Prosperity, and Equity), is indicative of the precision of a scalpel as it meticulously balances the ongoing needs of the local business community with the District's need to remain financially solvent during this time of crisis.

The overall FY21 request for DSLBD includes \$15,213,555 in local funds and \$558,907 in Federal Grant funds. These critical funds will allow DSLBD to continue to open doors to opportunities by providing local businesses with the knowledge and capacity-building tools necessary to form, develop, grow, and expand. An example of such a tool is the DC Capital Connector, a free, online matchmaking tool launched by DSLBD and DISB in January of this year. To date, the tool has singlehandedly connected 88 small businesses to local CDFIs and bonding agents and generated over \$500,000 in loans and surety bonds.

In addition, the investment of \$250,000 in recurring funds will allow DSLBD to establish a new departmental program to help Small Business Enterprises (SBEs) secure contracting opportunities as operators and management service providers in the high-barrier-to-entry sports wagering industry.

The Budget also includes \$250,000 which highlights the Mayor's initiative of helping returning citizens own and maintain a business by making key investments to DSLBD's Aspire to Entrepreneurship Program. To date, DSLBD has assisted over 60 returning citizens in realizing their dream of starting businesses in a host of industries including trucking, hauling, and staffing, among others. I am also happy to report that the Aspire Program continues to yield a zero percent recidivism rate among participants.

Mayor Bowser also believes in strengthening communities through economic development. Therefore, her Budget commits over \$8,000,000 for DSLBD to continue to offer the financial and technical assistance needed to help our ever-expanding Main Streets and Clean Team Programs remain effective.

As an entrepreneur and former business owner, I understand the impact these Programs have in attracting consumers, creating jobs, retaining and recruiting businesses, and improving commercial properties and streetscapes along the District's commercial corridors.

This impact is one reason why the Bowser Administration, without hesitation, committed an additional \$115,000 in emergency financial assistance in FY19 and FY20 to the Rhode Island Avenue Main Street to help distressed businesses affected by capital improvement projects.

Lastly, the Budget makes \$180,000 in key investments to support the continued development of the District Enterprise System also known as the DES. The DES supports DSLBD's certification and compliance work and will allow our agency to continue its momentum in strengthening the integrity of the CBE Program for the District and the over 1,800 participating businesses by maximizing program efficiency, customer service, and adherence.

The resources allocated to the agency will support small and local businesses in the District and will help DSLBD further assist these businesses in recovering from the COVID-19 pandemic. I look forward to working in partnership with the Council to achieve our shared goal of ensuring that all local businesses are able to grow and prosper as we pull ourselves out of this. And I would like to assure members of the public that, despite this crisis, the District government is still open for business and here to serve.

In closing, thank you, again, Chairman McDuffie, for the opportunity to testify today.

I am happy to answer any questions at this time.