



Government of the District of Columbia
ADVISORY NEIGHBORHOOD COMMISSION 3/4G

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**ANC 3/4G Testimony Before the
Committee on Business & Economic Development
Oversight Hearing on the
Department of Small and Local Business Development
February 10, 2021**

Chairperson McDuffie and members of the Committee on Business and Economic Development, I am Peter Gosselin, a commissioner with ANC 3/4G, which represents Chevy Chase, Hawthorne and Barnaby Woods. Thank you for the opportunity to testify on the performance of the Department of Small and Local Business Development (DSLBD). I am speaking on behalf of the Commission, which authorized this testimony at its February 8, 2021 meeting by a vote of 7 to 0 (a quorum being 4).

This is our first testimony about the department. I suspect it will not be our last.

Late last year, the department approved a \$175,000 grant together with training funds for the community development non-profit District Bridges to launch our Chevy Chase Main Street. The grant and the program it will support are crucial to our Connecticut Avenue commercial corridor, which, despite having many advantages, suffered even before the COVID pandemic from a lack of mass transit and some long-term vacancies. Since the pandemic's onset, most outlets along the corridor have struggled and a substantial number have permanently closed, exacerbating the vacancy problem. We are grateful to the department and the city for their support of our community. We expect the grant will be the first in a series of annual allotments of about \$150,000.

Because our experience with DSLBD to date has been limited, I raise the following concerns tentatively; the department may yet prove to be the partner we need to help our small businesses emerge from the pandemic and once again prosper. That said, we believe the following issues warrant the Committee's attention:

- (1) Inconsistent process
- (2) Lack of transparency in grants and aid to local businesses
- (3) A top-down approach that fails to take full advantage of on-the-ground entities.

Inconsistent Process

The department heard a strong and consistent message from the Chevy Chase community about the need for the Main Street/District Bridges grant. The ANC enthusiastically advocated for it. The community submitted 111 letters of support.

The need was especially urgent because of the pandemic. Between March of last year when the dimensions of the COVID danger became clear and Sept. 8th when the grant application was submitted, only 19 of 53 eligible neighborhood businesses had successfully applied for DC microgrants to help them through the crisis. Fewer than 10 had accessed the federal government's Paycheck Protection Program. District Bridges was providing other communities with Main Street programs the technical assistance their businesses needed to successfully tap these programs, technical assistance that our businesses were either not getting or getting late.

Our support for the application was rewarded when DSLBD announced approval of the grant on Sept. 28th. But less than three weeks later on Oct. 14th, the department reversed course, verbally notified District Bridges the grant had been rescinded and subsequently sent the organization a letter about 2021 Main Street grants that notably failed to mention Chevy Chase. It took more than a month and a full-court press by the ANC, Councilmember Cheh and others to get the department to reverse itself again and reinstate the grant.

The inconsistent process and resulting uncertainty set back the program in our community by a full quarter, stalling the hiring of a Chevy Chase Main Street manager and hampering local businesses from applying for and receiving critical financial and technical assistance. While this may have been a one-time hiccup by the department at the start of a new program, our ANC will be keeping a watchful eye. We ask the Committee to do so as well.

Lack of Transparency

While our Chevy Chase business community has been handicapped by the lack of a Main Street program, especially during the pandemic, some businesses have received microgrants and assistance through DSLBD. But the department discloses almost no information about which businesses have applied for grants and/or assistance, which have received them and for what purpose. While the ANC understands there may be privacy and business competitive reasons for limiting the information that's released, DSLBD's lack of transparency on this score makes it almost impossible for local leaders to understand the scope and type of problems businesses face and to focus efforts to encourage greater participation. We ask the Committee to consider working with the department on a standardized and transparent reporting system.

Top-Down Approach

There's always a tension when an agency at one level of government funds services delivered by another, closer-to-the-ground organization about who decides what's needed and how it should be provided. Our ANC requires more experience to get a full understanding of how DLSBD and District Bridges will work with each other and our community on the Chevy Chase Main Street program. But there are at least a few instances where it appears the department may be taking too much of a top-down approach and would better serve the businesses it is committed to helping by listening to those on the frontlines.

For example, at the same time as it approved the \$175,000 grant for Chevy Chase, DSLBD also allocated \$25,000 to itself for “training” District Bridges’ staff and others involved in Main Street. Given that District Bridges has operated in the District of Columbia for more than 15 years and has stood up Main Street programs across the city, it is at least an open question whether the department or District Bridges might put those training dollars to best use. We hope the Committee will explore this question.

Thank you.