



October 19, 2023

The Honorable Roger Williams
Chairman
Committee on Small Business
United States House of Representatives
Washington, DC 20515

The Honorable Nydia Velázquez
Ranking Member
Committee on Small Business
United States House of Representatives
Washington, DC 20515

Dear Chairman Williams and Ranking Member Velázquez:

On behalf of Local Initiatives Support Corporation (LISC), I write in strong support of the Community Navigator Pilot Program (CNPP), an innovative initiative that helps entrepreneurs in underserved communities overcome longstanding obstacles to accessing vital government resources.

LISC is the one of the largest community development organizations in the country and the largest nonprofit community development financial institution. We have been supporting communities for more than 40 years and have offices in 38 cities and through our rural partners are serving more than 2,000 rural counties. We have a comprehensive approach to community development, facilitating relationships and offering both technical expertise and financing to support businesses and real estate development in under-resourced communities.

As the primary drivers of employment and investment in our communities, small businesses are the cornerstone of the American economy. Recognizing this, lawmakers have put in place numerous tools and resources over the years to help entrepreneurs start, grow, and thrive. Unfortunately, vast swaths of the entrepreneurship community struggle to gain access to these opportunities, limiting their ability to grow and create new jobs.

The CNPP helps alleviate those barriers by reaching underserved segments of the small business ecosystem. While the CNPP was originally envisioned to provide relief to small businesses during the COVID-19 pandemic, its overwhelming success demonstrates the positive benefits that come from expanding access to government resources on a broad scale.

The CNPP supports a broad network of organizations whose community-based navigators assist diverse small business owners. The program utilizes a “hub and spoke” model to partner with established, trusted voices within thousands of communities across the country, and leverages the strengths of these institutions to better reach targeted sectors within the small business ecosystem.

Our firsthand experience with the Community Navigator Pilot Program mirrors that of countless others and illustrates the tangible, real-world benefits it offers. Through CNPP, LISC has partnered with 30 spokes across seven markets: Chicago, Connecticut, Los Angeles, Newark, Phoenix, and the Rural Delta, which includes Arkansas, Kentucky, Louisiana, Tennessee, and Missouri, to expand their reach. LISC is also enhancing support for industry-specific sectors like childcare providers through CNPP.

To date, LISC and our partners have supported over 3400 unique businesses across our seven markets. Of the 3400 businesses: 95% are owned by low-to-moderate-income individuals; approximately 22% are in rural communities; approximately 73% are minority-owned; and 63% are women-owned. We have provided over 13,800 counseling hours to entrepreneurs. We have also collectively helped secure over \$16 million in capital for small businesses.

The CNPP program has been integral to the capacity building and reach of spokes on the ground. These partners, through participation in training and peer-to-peer networking opportunities, are also expanding their knowledge of innovative tools, resources, and approaches. Furthermore, our spokes are embedded into the communities they serve and have forged trusted relationships with entrepreneurs to help their businesses. Examples of LISC CNPP successes in a few markets include:

- In Chicago, Northwest Side CDC leveraged CNPP resources to support the establishment and sustainability of the Crecer Business Incubator. Located in the Belmont Cragin neighborhood, the incubator provides entrepreneurs with the skills to launch and improve their business.
- In Louisiana, Iberia Development Foundation utilizes CNPP to expand support for entrepreneurs in Iberia Parish - whether it's helping fishermen access grants or securing capital to transform a run-down strip mall. CNPP also helped spur recovery from Hurricane Ida for local oystermen.
- In Mississippi, CNPP supported AgLaunch Initiative's delivery of high-quality technical assistance to the Mileston Cooperative Association. As a result, the agricultural business was able to obtain its USDA GAP Certificate and create 15 new jobs.
- In Toledo, Bons Secure Mercy Health leveraged CNPP over the past year to provide support to Swanky Scoops, an ice cream shop, to exponentially grow their business. As a result, Swanky Scoops was able to revise their business plan, modify pricing, expand their business, lease their own building, become a supplier to a regional grocery store, and increase marketing efforts.

In short, CNPP is working as envisioned – building not only the capacity of the spokes on the ground, but as importantly, the growth of businesses that cannot typically access SBA resources. We therefore urge members of the Committee to support the continuation and expansion of the Community Navigator Pilot Program. If you have any questions or would like additional information, please contact Destiny Allen (dallen@lisc.org) with LISC's Economic Development team.

Sincerely,



Matt Josephs
Senior Vice President of Policy