



Testimony to the Ohio Senate Finance Committee on House Bill 110

May 19, 2021

Chairman Dolan, Vice Chair Gavarone, Ranking Member Sykes, and members of the Senate Finance Committee:

My name is Jeffrey T. Verespej, and I am the Executive Director of the Old Brooklyn Community Development Corporation. It is a special privilege to provide testimony in person today because the state senator who represents Old Brooklyn, Senator Nickie Antonio, serves on this committee – and she also happens to be my own state senator, as well. Senator Antonio, it is good to see you today.

Old Brooklyn is Cleveland's largest neighborhood, with over 34,000 residents across 6.4 square miles. You can think of it as a small town all by itself, with its own main streets and – as many of our residents have said – our own downtown business district. Our mission is to grow Old Brooklyn Community Development through empowered partnerships, leadership, programming, and advocacy. I joined the Old Brooklyn team as its Executive Director in 2014, but my roots in this community go deeper. I was born and raised in this community, and though my family eventually moved to the suburb of North Royalton, I continued to come back every spring and summer: I played in the Old Brooklyn Youth League, and my dad coached. In that way, you can think of me as someone who came back because I care so deeply about the place I call home.

As I stepped into this leadership role at Old Brooklyn Community Development Corporation, I knew one thing: we had to focus on economic development and small business support. Vacant storefronts attract bad actors and unwanted activity, driving good residents out of the neighborhood, and further destabilizing our city. The big economic development organizations like JobsOhio and TeamNEO focus on attracting major employers to our region, but it is up to community development corporations like Old Brooklyn to help local small businesses succeed on Pearl Avenue, Broadview Road, or any other main street. So, I focused on launching entrepreneurial dreams in the community, and then marketing those businesses to our neighborhood and region.

Over the last seven years, we've seen numerous of successes, most of which would not have happened without Old Brooklyn's intervention.

- *Old Brooklyn Cheese Company* was discovered as a cottage entrepreneur by Old Brooklyn Community Development Corporation. After encouragement, business planning, and financial assistance, the business opened on our main street as the first brick-and-mortar cheese shop in Cleveland. *Old Brooklyn Cheese Company* has won national awards for its products and now exports to more than a dozen states.



- *Berto Huertas* was repairing bicycles out of his basement when extra square footage at a new coffee shop in the neighborhood was identified. Old Brooklyn Community Development Corporation encouraged him to take the leap, and *Sixth City Cycles* has expanded twice and now occupies its own storefront.
- Through its own small business incubator program, Old Brooklyn Community Development Corporation awarded \$5,000 in 2015 to JAC Creative, allowing the startup with one full-time employee to secure its first lease. *JAC Creative* now employs 8 people in a signature office location in Old Brooklyn, supporting clients throughout the nation.

These are just some of the stories I can share about our success as a community development corporation serving a great Cleveland neighborhood. As proud as I am of what we have accomplished so far, we have much more work to do.

Direct Impact Fund for Community Development Corporations

Small business owners know that community development corporations have their best, long-term interests in mind because we are committed to the same places and customers they serve. Community Development Corporations market their neighborhoods and organize large-scale events to attract customers for businesses. We lead street beautification and safety efforts to create enjoyable experiences on main streets for residents and visitors. And we employ economic development professionals at the local level, counseling small businesses and directing them to additional resources. When we think about our main streets, the small businesses that occupy their storefronts, and the neighborhoods they support, community development corporations tie those things together in a way that is both overlooked and undervalued.

And this work was especially important during the pandemic, when community development corporations played a critical role in keeping small businesses alive. We spread awareness about which businesses are open and what their hours of operations are. They organized “cash mob” events to infuse businesses with much-needed income. We helped implement innovative ways to reach new and existing customers. And, most importantly, we are how many small businesses found out about grants, loans and technical assistance made available through pandemic relief.

That is why I am testifying in support of Cleveland Neighborhood Progress and its proposal for a “CDC Direct Impact Fund.”

This fund would help community development corporations like Old Brooklyn support entrepreneurs and small businesses. There are 26 Community Development Corporation in Cleveland, serving over 30 neighborhoods. While I can point to many examples of success over the last seven years, there is so much more I could have done if I had had additional support. Unfortunately, none of this work is funded by traditional revenue streams, like federal CDBG (Community Development Block Grant) funds. Keeping small businesses alive is good for our neighborhoods and our city, but community development corporations did it – and continue to do it – at a loss. If there is not support for this work, CDCs will go bankrupt trying to help local small businesses. That, in turn, will result in fewer small businesses growing and more closing.



That is why we are asking for an earmark of \$500,000 in both years of the budget to help our community development corporations assist small businesses through a Direct Impact Fund. Community development corporations will use these funds to support and connect small businesses to the economic development ecosystem that has tools to meet their needs. While the Ohio House did not include funding for this proposal in their version of the budget, there is strong, bipartisan support for it.

I would also like to add that we are also seeking local and corporate funding for this fund. We believe that it will take a coalition of support from every corner of our community to strengthen support for small businesses as we emerge from the pandemic.

When main streets are full of strong local businesses, our neighborhoods are strong. Strong neighborhoods help make Cleveland strong. When Cleveland is strong, Northeast Ohio is strong. And when Northeast Ohio is strong, our state is strong.

Chairman Dolan, Vice Chair Gavarone, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for this opportunity to provide testimony today. If anyone has any questions for either Tania or me, we would be happy to answer those questions now.