



DEPARTMENT OF CONSUMER REGULATORY AFFAIRS REFORM

ISSUE

Department of Consumer & Regulatory Affairs (DCRA) is responsible for processing all DC business licensing and permitting applications as well as inspections and compliance responsibilities. Small businesses across the District have been adversely impacted by delays, inconsistent information, unclear processes, and expensive fees. These administrative burdens result in delayed openings, long-term vacancies, and barriers to expansions. These results have much broader impacts measured in reduced tax revenues, lost employment opportunities, in some cases business closures. Failing to address these concerns creates a business environment that competes unfavorably with nearby Maryland and Virginia jurisdictions. The long-term effects will see a marked reduction in business attraction and retention in DC.

OPPORTUNITY

There is broad consensus amongst the DC business community, developers, advocates, and other key stakeholders that the challenges presented by DCRA's current operations need reform. Initially created in 1983 when functions from eight other departments were combined, critics assert the current structure is too large to be effective. Led by Chairman Phil Mendelson in February 2021, the DC Council has registered its serious concern by overriding Mayor Bowser's veto on legislation originally passed in December 2020 after years of debate that would lead to breaking DCRA into multiple agencies. This vote forces the Mayor to move ahead with restructuring DCRA into a Department of Buildings to handle construction inspections and housing code violations and a Department of Licensing and Consumer Protections to manage permitting and business licensing. On the other hand, the Mayor is concerned that this measure will interfere with what she sees as Director Ernest Chrappah's recent progress and former Chief Financial Officer Jeffrey DeWitt's estimated cost of \$33.1 million. As yet, no monies have been identified to fund this reform. There is also concern amongst developers and landlords that these long-term measures will only increase delays, which could be fatal to time-sensitive projects. There is currently no timetable for implementation.

DISTRICT BRIDGES RESPONSE

Although there is consensus that DCRA needs reform, there is no clear path forward. This uncertainty has created an appetite for short-term, relatively low-cost solutions to pressing problems. District Bridges is focused on formulating and advocating for actionable strategies that can immediately improve the needs of small business owners and contribute to DCRA's agency objective of improved customer experience. Strategies currently under consideration are the following:

- **Small Business Team:** Specialized team familiar with the needs and processes particular to small businesses with an ombudsman for troubleshooting delays.
- **Streamlined Processes:** Simplifying and mapping application, inspection, and approval processes for small businesses.
- **Language Access:** Translation of key documents into native languages of small business owners and providing language line access.
- **Helpline:** Off-line and low-tech support for business owners that are unable to navigate online systems to improve customer care and experience.
- **Training Videos:** Partnering with DCRA staff and process experts to create short instructional videos with step-by-step guidance, curated on Access Point.
- **Comprehensive Inspections:** Reduce multiple inspections by providing a checklist in advance of an inspection, identifying all compliance issues in the initial visit with a second visit that confirms competition.