



SOUTH CAROLINA
Community Loan Fund

2019 ANNUAL REPORT

Investing in Community



LETTER FROM CEO & BOARD CHAIR

Dear Friends:

Over the years, SCCLF has expanded from a Charleston-based affordable housing lender to a statewide organization financing affordable housing development, healthy food enterprises, small businesses, and community facilities. To date, the projects we've financed have spurred more than \$361.3MM in development.

Amid all the expansion and growth, one thing has never changed: community development is more than the dollars loaned or the structures they finance. Community development is about people. And so, in 2019 we updated our mission statement to place its focus on the very core of our work: who we serve, and why.

Our mission is to advance equitable access to capital to build assets and benefit communities and people most in need of economic opportunity.

We accomplish our mission by providing loans, technical assistance, advocacy, and knowledge for the development of affordable housing, healthy food enterprises, community facilities, and community businesses.

We acknowledge that the need for our work is rooted in generations of injustice and disinvestment, so we focus on serving people of color, women, low-income individuals, and those in rural communities.

In the pages that follow, you'll see borrowers whose commitment to serving others embodies the spirit of people-centered community development. It's been an honor to play a small part in the impact they're making in their neighborhoods. Thank you for your steadfast support of our mission and the people at the heart of it.

With gratitude,



Anna Lewin
Chief Executive Officer



Wendy Zara
Board Chair

2019 IMPACT



\$24.1
Million in Project
Development



40%
Loans in Rural
Communities



50%
Loans to Female
Borrowers

TECHNICAL ASSISTANCE

Accessing technical assistance can make all the difference in successfully financing community development projects. In fact, according to our 2019 Annual Demand Survey, 57% of respondents who successfully secured financing for their project accessed technical assistance services before or during the application process. We provide one-on-one assistance, one-day workshops, multi-week business development courses, and host the Investing in Community Summit in order to help potential borrowers navigate all the phases of project development.

2019 WORKSHOPS

Borrowing 101
Orangeburg, SC

Community development
finance basics

Live, Work, & Worship
Greenville, SC

Leveraging assets for faith-
based organizations

New Markets Tax Credits
N. Charleston, SC / Charlotte, NC

An overview of the
federal program

LEAP
Orangeburg, SC / Anderson, SC

Small business development
for diverse entrepreneurs

Feeding Innovation
Goose Creek, SC

Business development for
healthy food-based enterprises



Keynote speaker Richard Rothstein, Distinguished Fellow of the Economic Policy Institute and author of *The Color of Law: A Forgotten History of How our Government Segregated America*.



The Investing in Community Summit took place in Columbia December 3rd – 4th, and brought together representatives of for profits, nonprofits, and municipalities to learn about financing strategies, ways to grow through collaboration, and strategies for shaping public policy.

These events would not be possible without the generous support of sponsors. Thank you to our 2019 summit sponsors:



60%
Loans to People
of Color



30
Technical
Assistance Events



1,076
TA Event
Attendees



HEALTHY FOOD ENTERPRISE

FEEDING INNOVATION:

FAIRY FRESH FOODS

Through her plant-based meal preparation business, Fairy Fresh Foods, Shaquille Fontenot prepares fresh and nutritious meals that she defines as healing. She believes that food is one of the key elements to uplifting and supporting communities that are systemically at a disadvantage and started Fairy Fresh Foods to combat the effect food insecurity has on communities of color.

"A child in North Charleston has more access to junk food than they do to healthy foods," she said. "Yes, potato chips will feed them but is that type of food going to heal and support their bodies? No! That kind of food pollutes your spirit. It's important to me to help heal communities of color through the food we eat. Food is important."

Shaquille is the winner of Feeding Innovation Goose Creek. For eight weeks, she and other entrepreneurs attended classes that helped them create or expand their healthy food business plans. At the end of the program, each participant had an opportunity to pitch their plan to a panel of judges for a chance to be awarded \$12,500 in seed capital.

Shaquille was inspired to start her woman- and minority-owned business when her health improved after incorporating more plants into her diet. She wanted to share the healing benefits of plants with others.

She operates her healthy food business out of a commercial kitchen in North Charleston. With the awarded capital, Shaquille can expand and keep her business running. She has upgraded her equipment, worked on marketing efforts, and expanded her delivery area.

"This experience allowed me to have access to spaces that weren't designed to let people of color in," she said. "Now that I am here, I plan on doing my part to make sure other people who look like me have a chance to get here too."



The background image shows a hand holding a stack of clear plastic food containers. The containers are stacked in a way that shows the top one clearly. The hand is positioned on the left side of the frame. In the background, there is an open walk-in refrigerator or freezer. The interior of the refrigerator is visible, showing metal shelving and a door. The lighting is somewhat dim, and the overall tone is professional and focused on food storage and distribution.

"IT'S IMPORTANT TO ME TO HELP
HEAL COMMUNITIES OF COLOR
THROUGH THE FOOD WE EAT. FOOD
IS IMPORTANT."

CAPITAL SPOTLIGHT:

**BLUECROSS
BLUESHIELD OF
SOUTH CAROLINA
FOUNDATION**

In 2019, BlueCross BlueShield of South Carolina Foundation awarded SCCLF a \$255,000 multi-year grant to support our efforts to increase healthy food access in underserved communities. The grant will allow SCCLF to not only host more Feeding Innovation sessions, it will allow us to reimagine how this course is delivered. Thanks to this kind of enduring support, SCCLF plans to offer more online course content, create an alumni network and additional learning opportunities for past participants, and improve data collection and program evaluation methods to inform future programming.



SMALL BUSINESS

DOLPHIN WOOD HOUSE

The day Laura Hatt started making handmade soaps was the same day her nightmares stopped. As a domestic violence survivor, not a day went by where Laura did not think about her past. Through the process of soap making, Laura has been able to cope with the trauma she experienced.

"Soap making became my therapy," said Laura. "Once I realized how much it calmed me, I decided to start making some for everyone I knew. One of my friends suggested I started selling it and at first I wasn't very confident about it."

Eventually Laura's friends and family convinced her to start a handmade soap business, Dolphin Wood House. She signed up for SCCLF's Local Entrepreneur Acceleration Program (LEAP) to learn more about developing her business plan. The LEAP program aims to support diversity in small business ownership across South Carolina by providing minority and women entrepreneurs with business plan development support, technical skills, and the chance to compete for a \$10,000 startup capital award. Laura took part in the inaugural LEAP cohort, which took place in Orangeburg, and won the pitch night competition.

"At first I was nervous and not sure if I should do it, but I did," said Laura. "This was the first time I have ever really did anything like this for myself."

She is using the awarded money to remodel a space inside her home to serve as an office for her business. "Me and my husband made a pact that we would buy something for my business each week with whatever money we had," she said. "Sometimes that thing would just be a case of nails or a paint brush. Having this startup money is allowing us to build my dream office sooner than later."

Since attending the program, Laura has expanded her business to offering more bath and body products like deodorants, scrubs, lotions, and more, with a goal of working full time on her business. "What's been really great about this program is that it helped boost my confidence in myself and my business," said Laura. "All of these people believed in me enough to give me an award, I should believe in myself just as much."





PIECEWISE COFFEE COMPANY

Lindsey and Stanton Scoma are the husband and wife team behind Piecewise Coffee Company, a neighborhood coffee shop located in Cayce, South Carolina.

For years the pair dreamed of owning their own family business. The Scomas found an ideal storefront in this neighborhood in the midst of the city's revitalization efforts, but they needed additional funding to renovate the space.

As a start-up, the Scomas did not have the business experience necessary to be approved for a loan through a traditional financial institution.

The couple consulted with the Small Business Development Center to develop their business plan and were eventually referred to SCCLF as a potential lender.

SCCLF's lending team worked with the couple to ensure they were ready to borrow and were able to approve them for an \$118,459 loan to complete the renovations. The Scomas opened Piecewise Coffee Company in 2019.

They are striving to make Piecewise Coffee a place where everyone feels like part of the larger community and envision the coffee shop serving "as a hub for people in the community to function together."

CAPITAL SPOTLIGHT:

WELLS FARGO DIVERSE COMMUNITY CAPITAL

Wells Fargo's Diverse Community Capital award combines grant funding and lending capital to create a comprehensive means of supporting South Carolina small businesses. Kimberly Davis, South Carolina Community Development officer for Wells Fargo, says, "Thanks to the support the SC Community Loan Fund received, more diverse-owned small businesses in the state will be provided the capital, technical assistance and other resources they need to help make their businesses - and ultimately, our communities - even stronger."



COMMUNITY FACILITY



TK GREGG COMMUNITY CENTER

Northside Development Group has been consciously crafting redevelopment plans that allow everyone who wants to remain in the Northside Community of Spartanburg, SC living and thriving there. As part of the group's efforts to revitalize and enhance the Northside neighborhood, the City of Spartanburg committed to building a state-of-the-art community center in hopes that it will become a hub for community building.

"This center is really about the investment in people," said Mitch Kennedy, the Assistant City Manager of Spartanburg. "The facility is just a vehicle and not the end game. The end game for us is creating positive engagements. So, we ask questions like, 'how do we create positive engagement opportunity that changes those outcomes for young people in this area?' We hope to do so by offering a number of services that are directly aligned with what the community needs."

The Dr. TK Gregg Community Center

will feature two pools, a track, rooms for fitness classes, and classroom space to host community programs and events. Additionally, there will be free WiFi as well as desktop computers and tablets for community use, greatly expanding the community's internet connectivity.

"Our city realized the importance of community building and we are so fortunate to be part of the efforts in the Northside that is committed and invested in people," said Mitch.

Six years after SCCLF's first loan in the neighborhood, they participated in the TK Gregg Community Center development with a \$5MM New Markets Tax Credits allocation. That \$350,000 loaned into the community in 2013, followed by the opportunity to provide large-scale financing in 2019, has presented SCCLF with a meaningful opportunity to continue to support community-led revitalization efforts in Spartanburg while also expanding our capacity to serve.

NEW MARKETS TAX CREDITS:

A NEW WAY SCCLF INVESTS IN COMMUNITIES

In 2019, SCCLF received its first New Markets Tax Credits allocation. SCCLF was awarded a \$20MM allocation through the 2018 funding round. This allocation was one of just 73 made across the country, and SCCLF was the only first-time allocatee in this funding round.

The credits provide an incentive for investment in low-income communities. NMTCs are used to fill critical financing gaps in projects to be developed in low-to moderate-income communities and can often be leveraged to secure additional funding such as public subsidies or private sector funds.

In the coming year, SCCLF's allocation will be used to provide critical funding for large-scale projects that provide South Carolinians with a place to gather, learn, work, and care for each other.



AFFORDABLE HOUSING



THE CHARITY FOUNDATION

The Charity Foundation is leading an initiative to transform Liberty Hill, a predominantly Black neighborhood in North Charleston, into a community with a strong foundation of multi-generational, economically stable individuals and families.

"If you look at the new construction surrounding Liberty Hill you will find homes that start at \$300,000," said Nashonda Hunter, executive director of The Charity Foundation. "People in this area can't afford that and that's not fair. We want to make sure we are keeping this area affordable for those who historically have lived in this area. We want to make sure they don't get pushed out."

Liberty Hill is one of the Lowcountry's oldest Black American communities, having been founded by freed slaves whose descendants still reside in the neighborhood. SCCLF provided the organization with a \$211,375 loan to build a single-family home on land granted to them by the City of North Charleston.

Although SCCLF typically focuses on multi-family affordable housing development, partnering with Charity Foundation presented an opportunity to act as a catalyst for future development efforts, providing an affordable means for residents of a historically and culturally significant community to build generational wealth through property ownership.

This home will be the start of The Charity Foundation's larger movement to preserve a historic community. They have already begin planning for other affordable housing projects that include multi-family structures.

"We want to keep as many people living here as we can," said Nashonda.

FINANCIALS

STATEMENT OF FINANCIAL POSITION:

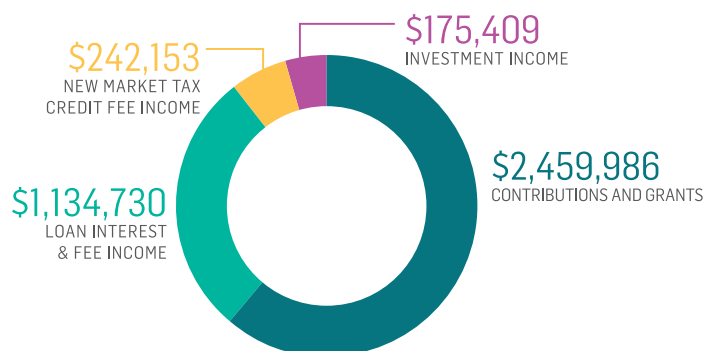
	2019	2018
ASSETS		
Cash and Investments	\$9,085,165	\$8,866,065
Loans Receivable	\$18,719,916	\$17,240,674
Allowance for Loan Losses	(\$1,560,067)	(\$1,366,500)
Non-Recourse Note Receivable	\$6,200,000	\$6,200,000
Other Assets	\$ 1,013,616	\$ 900,307
Total Assets	\$33,458,630	\$31,840,546
LIABILITIES & NET ASSETS		
PRI, EQ2, and Other Investment	\$19,544,688	\$19,375,043
NMTC Non-Recourse Notes Payable	\$6,200,000	\$6,200,000
Other Liabilities	\$ 141,100	\$ 71,548
Total Liabilities	\$25,885,788	\$25,646,591
NET ASSETS		
Net Assets without Donor Restrictions	\$6,034,691	\$5,785,512
Net Assets with Donor Restrictions	\$1,538,149	\$408,433
Total Net Assets	\$7,572,840	\$6,193,945
Total Liabilities & Net Assets	\$33,458,628	\$31,840,536

KEY FINANCIAL METRICS:

Net Assets / Total Assets	27.78%
Loan Loss Reserves	8.33%
Self Sufficiency	59%

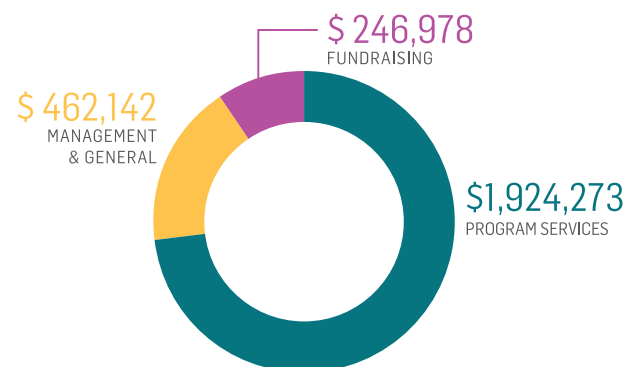
REVENUES & SUPPORT

\$4,012,278 TOTAL



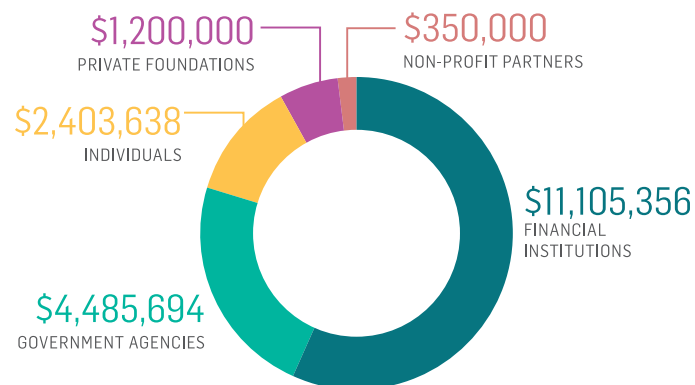
EXPENSES

\$2,633,393 TOTAL

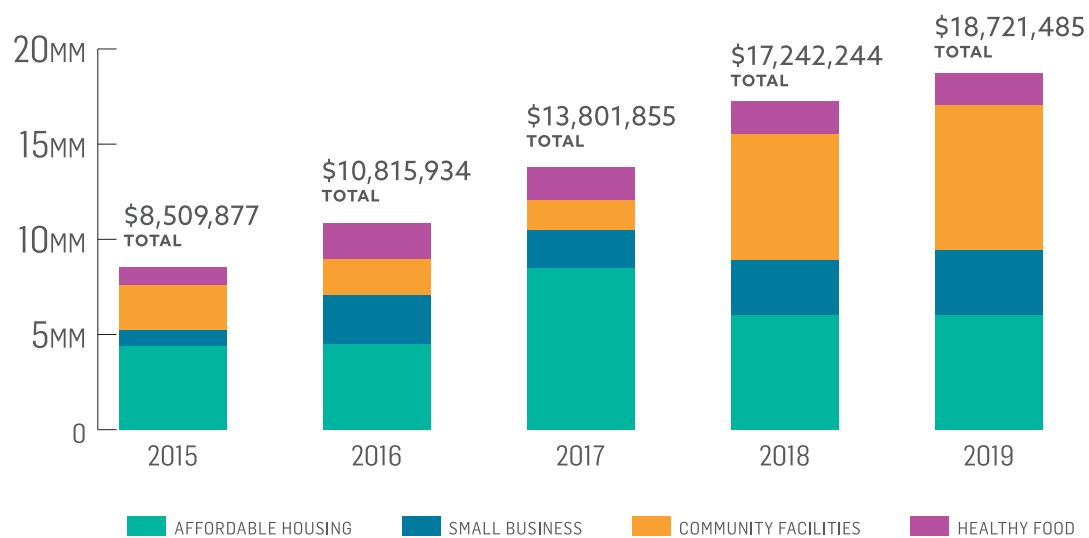


REVOLVING LOAN FUND INVESTORS

\$19,544,688 TOTAL



LOANS OUTSTANDING BY TYPE



Elliott Davis Decosimo, LLC audited the financial statements for the fiscal year ending December 31, 2019 in accordance with generally accepted accounting principles and expressed an unqualified opinion. The audit was approved by the Board of Directors and is available on our website, sccommunityloanfund.org.



SOUTH CAROLINA
Community Loan Fund
Investing in Community

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