



2017 ANNUAL REPORT



SOUTH CAROLINA
Community
Loan Fund
Investing in Community



SOUTH CAROLINA
Community
Loan Fund

MISSION



To advance equitable access to capital by providing loans, technical assistance, and advocacy for affordable housing, healthy food, community facilities and community business enterprises.

LENDING IMPACT

Since 2005



329
Loans



\$45.7
Million in
Financing



\$326.6
Million in
Development



3,116
Jobs Created
or Retained



2,034
Housing Units



11
Healthy Food
Retail Outlets



11
Community
Facilities



20
Community
Businesses

LETTER FROM CEO & BOARD CHAIR

Thank you for helping to make 2017 another successful year for South Carolina Community Loan Fund and our mission of advancing equitable access to capital throughout South Carolina. Through this report we hope to provide you with a glimpse into the power of our collective impact, and what we can accomplish when we invest in community together. To recap some of the highlights from 2017, we:

- **Provided 16 loans totaling \$6.7 million in financing** to increase access to affordable housing, healthy food, jobs, and essential services in underserved South Carolina communities.
- **Increased our organizational capacity** by hiring a full-time Chief Financial Officer to support our finance goals and long-term growth strategy, and a full-time Communications Coordinator to help increase visibility of SCCLF, its mission and its work throughout South Carolina.
- **Continued to expand our statewide presence and impact** by increasing our lending and technical service offerings, and shifting the focus of our advocacy and policy change efforts from local to statewide and federal initiatives.
- **Secured \$13 million in new equity and debt capital** to finance community development projects across the state.
- **Conducted a demand survey** to help better understand the need for community development financing in our state. Survey results revealed a promising lending market with estimated loan requests for the next three years totaling \$41.5 million, \$17.3 million of which are expected in 2018 alone.

The pages that follow will tell the story of borrowers, supporters, and community partners who are working together to transform South Carolina communities. We hope you are as energized as we are by the work taking place across the state and the work that is still to come. While meeting the increasing need for community development financing in South Carolina will require significant growth in our capital pool, we are confident that with your continued support we can meet this challenge.

Thank you for your ongoing support and dedication to our mission. Together, we can ensure access to the capital and technical resources needed to build a stronger, more equitable South Carolina.

In Partnership,



Michelle Mapp
Chief Executive Officer



Jim Haley
Board Chair



AFFORDABLE HOUSING

BLUEWATER HORIZONS, LLC

Approximately half of South Carolina renters are cost burdened by their homes and in some of South Carolina's urban areas, the lack of affordable housing has become a crisis. In order to increase the inventory of affordable housing, developers must use a variety of approaches, including renovating existing properties and ensuring rents remain affordable to low and moderate-income renters. Fortunately for North Charleston residents, Bluewater Horizons is doing just that.

Bluewater Horizons is an affordable housing developer who worked with South Carolina Community Loan Fund to finance the purchase and renovation of two North Charleston properties. The two properties were financed for just over a total of \$1 million, and together provide 36 units of affordable housing available to low to moderate income renters. This population includes seniors or others living on a fixed income, and working families.

To Bluewater Horizons' owner Shawn Sprinkel, working to improve existing properties provides impact beyond simply increasing the affordable housing options in a community.

"My goal is to buy properties that are going to improve the street they are on in an area where the overall neighborhood has been a little neglected," Sprinkel told Charleston's *Post & Courier*. "I really believe in neighborhood stabilization for our society overall."

While the community as a whole benefits from neighborhood stabilization, the longtime residents of these newly renovated properties are also pleased with the changes they are seeing and noted that the properties have undergone more improvements since being purchased by Bluewater Horizons than in the previous ten years combined. As Sprinkel noted, "If a place is [in poor condition], the people will just say, 'Let's get out of here and move somewhere else.' I want this to be a place people call home."



"I WANT THIS TO BE A PLACE
PEOPLE CALL HOME."



CENTRANT COMMUNITY CAPITAL PARTNERSHIP

SCCLF takes multiple approaches to increasing affordable housing options in South Carolina, including supporting the development of multi-family housing options as a member of Centrant Community Capital (CCC). CCC is a collaboration of financial institutions dedicated to providing housing opportunities to low-income individuals and families throughout the Southeast. In order to fund affordable housing projects, capital from members (who include 120+ financial institutions) is pooled along with allocations from the Federal Low-Income Housing Tax Credit program. By blending private and public capital, CCC has been successful in financing over 20,000 units of affordable housing for low-income families and individuals.

As a CCC member, SCCLF was able to help finance four affordable housing developments in 2017. These projects all support South Carolina communities by providing affordable housing options to families, seniors, or individuals with disabilities who earn no more than 60% AMI. "The development of high-density housing, particularly housing affordable for South Carolina's most vulnerable renters, can be challenging," explained SCCLF's Lending Director, James Chatfield. "The Centrant Community Capital partnership provides developers with the funding needed for their projects and allows SCCLF to help increase the inventory of quality affordable housing in underserved communities across the state."

The housing units financed through the CCC partnership include handicap accessible units which are ideal for elderly or disabled renters. The units are also sometimes three or more bedrooms, which can be especially challenging to afford for struggling families. Thanks to the partnership and four developments SCCLF helped fund through the program in 2017 alone, hundreds more families in communities across South Carolina will have a safe, affordable place to call home.



| LOCATION | PROPERTY NAME | LOAN AMOUNT | NUMBER OF UNITS |
|------------------|---------------|------------------|-----------------|
| Moncks Corner | Barony Place | \$150,000 | 40 |
| North Charleston | Rivers Place | \$300,000 | 48 |
| Blythewood | The Pointe | \$125,000 | 56 |
| Boiling Springs | Mason Manor | \$100,000 | 98 |
| | | \$675,000 | 242 |



HEALTHY FOOD ENTERPRISE

ELIJAH CRAIG, LLC

Over one million South Carolinians live in food deserts, or communities without access to fresh, healthy foods. One such neighborhood in Florence was also deemed “blighted” by city officials. Tim Waters, owner of Elijah Craig, LLC and a lifelong resident of the neighborhood, wanted to help his community by bringing a full service grocery store to the area. “I looked around and saw we were surrounded by convenience stores and fast food restaurants, but there wasn’t a place to buy fresh vegetables.”

Tim struggled to secure financing for his project, but refused to give up. He attended a SCCLF loan application workshop, and later he enrolled in Feeding Innovation, a SCCLF program for aspiring entrepreneurs seeking to increase healthy food access in their communities. “The lending team at SCCLF encouraged me, and so I surrounded myself with experts,” says Tim. “I want to be the things this community needs.” His determination to bring the project to market gained support from the City of Florence, which provided Tim with an incentive package as part of their downtown redevelopment strategy, and eventually meant he could secure a \$500,000 loan from SCCLF.



The Elijah Craig, LLC Save-A-Lot, which is slated to open in fall 2018, will initially create 20 new jobs for community members, 12 of which will be full time. Soon, families in the North Dargan Street community will finally have the ability to purchase fresh, healthy food in their neighborhood. Further, a neighborhood currently defined by the city as blighted will have a revitalization effort led in part by a lifelong resident with a vision of community change. The greatest impact of this loan is felt by Tim, who said, “This loan has changed the trajectory of my family’s life. We now have something that I can pass to my son, who can pass it to his son, too.”



“THIS LOAN HAS CHANGED THE TRAJECTORY OF MY FAMILY’S LIFE. WE NOW HAVE SOMETHING THAT I CAN PASS TO MY SON, WHO CAN PASS IT TO HIS SON, TOO.”



THE KRESGE FOUNDATION

BLENDING CAPITAL TOOLS TO BUILD HEALTHY COMMUNITIES

South Carolina ranks 42nd nationally in public health and leads the nation in most of the negative health indices, including cardiovascular and respiratory disease, obesity, diabetes, infant mortality and access to affordable health care. Among the challenges facing our low-wealth communities is access to fresh, healthy food. Yet, the problem goes beyond health; poor communities are often cut off from the economic development opportunities that arise from a local grocery store. The more than one million residents in South Carolina food deserts spend over \$310,900,000 annually on groceries outside of their local community. SCCLF works to address these issues, increase access to healthy food, and boost economic activity in underserved communities through its healthy food access program which provides financing, technical assistance, and advocacy for the development of healthy food retail outlets throughout the state.

SCCLF's ability to carry out this work can be attributed to The Kresge Foundation's support. In April 2014, SCCLF was awarded a total of \$950,000 in grants and investments from the Kresge Foundation to support the expansion of their healthy food loan program. According to the Deputy Director of The Kresge Foundation's Health Program, Chris Kabel, SCCLF originally only requested a grant to cover the costs of launching their healthy food program, but after discussions with the fund "it became apparent to Kresge that [they] could play a more catalytic role by blending multiple capital tools."

"We were ready to expand our healthy food retail loan program and get more involved in advocacy work around the lack of access to healthy food in South Carolina, but at the time we just didn't have the resources to move those plans forward," explained SCCLF's COO, Anna Lewin. "The Kresge Foundation demonstrated a sincere interest in the success of our healthy food program and worked with us to develop a solution that would meet our immediate capital needs, and provide the tools needed to effectively grow the program." The resulting funding plan combined multiple capital types including a \$500,000 program related investment, a \$250,000 operating grant, and a \$200,000 loan loss reserve grant. "Each form of capital reinforces the others," Kabel explained. "The grant covered pipeline development, policy work, and evaluation, the investment was the first commitment to what is now a more than a \$2 million fund, and the loan loss reserve created a comfort zone for other commercial capital to participate."

SCCLF has since leveraged the \$950,000 in Kresge Foundation funding with private and individual investments to grow healthy food access into one of its most comprehensive programs. The funding has enabled SCCLF to provide 11 healthy food loans totaling \$9,887,750 in financing, and providing 146 jobs for members of the community. Further it has led to the development of multiple advocacy and technical assistance initiatives devoted to increasing access to healthy food in underserved SC communities including the SC Food Access Task Force, SC Food Access Summit, Feeding Innovation program, and the SC Healthy Food Financing Initiative.



COMMUNITY BUSINESS

PETE'S MOBILE AUTO & TRUCK REPAIRS

In the Percival Road community of Columbia sits a bustling auto repair shop. However, not long ago the shop sat vacant and falling into disrepair. Melvin and Sandra Wells of Pete's Mobile Auto & Truck Repairs, who were leasing a building at the time, saw the space and knew they were ready to make the leap into purchasing property for their growing business. "Purchasing the building and having a foundation was a symbol for us," says Sandra. "It was like a stamp to say we're serious, and our business is solid."

The Wellses struggled to secure the financing they needed to purchase and renovate the shop until they enlisted the help of their local South Carolina Community Loan Fund Loan Officer, James Chatfield. "We told him we were seeking to have our business in place for generations to come and to make an impact on the community," says Sandra. "We see so many people in the community, including our sons, who are in need of good, decent paying jobs and it felt like we were keeping our talents to ourselves when we could be helping others." Their vision of creating jobs and becoming a fixture in their

community aligned perfectly with SCCLF's mission, and so the SCCLF lending team worked with the couple for several months to provide the support and assistance needed to be approved for a \$112,000 loan.

Melvin and Sandra re-opened Pete's in the spring and have since been busy working to further establish themselves as leading automotive service providers within the local community and beyond. This new venture has allowed the Wellses to grow their staff, providing four additional jobs in the highly specialized field of automotive and freight truck service and repair. Further, the Wells family is providing affordable service to community members and truckers whose vehicles are their livelihood, spurring economic activity in an underserved Columbia neighborhood, and building an asset for their family which can be passed down through future generations.



"WE WERE SEEKING TO HAVE OUR BUSINESS IN PLACE FOR GENERATIONS TO COME AND TO MAKE AN IMPACT ON THE COMMUNITY."

WORKSHOPS AT HOWARD HEIGHTS

The vision Julie and Bill Hussey had for their community business, Workshops at Howard Heights, was a space where artisans and craftspeople could practice their trades. Bill is a custom woodworker by trade, and he and Julie saw a need in the creative community for this type of workspace. The Husseys had already purchased the land they needed for their business when they approached South Carolina Community Loan Fund for \$578,000 in construction financing. "SCCLF has been so helpful to us, because we needed a lender who understands what it's like to be new to the business world. It often feels impossible to navigate the [real estate development] system as a small business, so we really appreciated the guidance," said Julie.

As construction approaches its final stages, Bill and Julie are finding themselves in a position to help other small scale businesses grow. Their current tenants are a diverse group of microbusinesses with products ranging from custom desks and cabinets to murals. "We've become a business incubator for messy businesses," jokes Julie. "Our tenants are so excited to work around other people and take their businesses to the next level. We are excited to work with our tenants to meet their space needs, too. Incubators exist for people working mainly on their computers, but there hasn't been a space like that for makers in this area until now."

The effects of being able to bring a concept like Workshops at Howard Heights to market will be felt by countless microbusinesses in the Charleston area. The Husseys are taking the understanding and guidance they received from SCCLF and paying it forward to the artisans, craftspeople, and microbusinesses who will share space at the Workshops facility. The result is an energetic, collaborative space where one community business is encouraging the growth of so many others.

"SCCLF HAS BEEN SO HELPFUL TO US, BECAUSE WE NEEDED A LENDER WHO UNDERSTANDS WHAT IT'S LIKE TO BE NEW TO THE BUSINESS WORLD."



COMMUNITY FACILITY

TOWN OF HOLLYWOOD

The Town of Hollywood's government offices are currently located in a small facility the community has been renting for many years. To better serve the town's growing population, Hollywood's local government knew they needed to build a modern facility that could meet their citizens' needs.

The Town of Hollywood approached South Carolina Community Loan Fund for a \$1.85M loan for construction and permanent financing for their town hall. SCCLF saw this project as a perfect opportunity to continue its commitment to investment in rural communities while also supporting the development of assets which will contribute to the community's stability. At the town hall groundbreaking SCCLF CEO Michelle Mapp said, "Providing equitable access to capital to rural South Carolina is our mission. Our seed is capital. The fruit is community assets and ownership, and the dividends are immeasurable."

The town hall represents a continuation of a partnership between SCCLF and the Town of Hollywood. Hollywood Mayor

Jacqueline Heyward said, "Thank you for investing again in our community. This is the second project with SCCLF, and we appreciate your commitment to communities like ours." At the groundbreaking, Mayor Heyward spoke of the future impact this facility will have on the town. "We look forward to opening our doors in late spring of 2018, and truly bringing our community in. We want everyone to see what will belong to our children and our children's children."

The 6,781-square foot town hall will serve as a cornerstone of a much-needed civic center for Hollywood's residents. The town's civic center will be anchored by the town hall, the St. Paul's Public Library, a green space for Hollywood to host events for their community, and eventually a sports complex. The town also included their citizens in the design and planning process, encouraging their residents to have a hand in shaping the community in which they live. The result is a facility which will serve the Hollywood community for years to come.



"THANK YOU FOR INVESTING AGAIN IN OUR COMMUNITY. THIS IS THE SECOND PROJECT WITH SCCLF, AND WE APPRECIATE YOUR COMMITMENT TO COMMUNITIES LIKE OURS."



USDA AND UPLIFT AMERICA INITIATIVE

TRANSFORMING RURAL COMMUNITIES THROUGH COLLABORATION

Equitable access to community facilities creates stronger, healthier cities and towns. Community facilities are the places where we gather to learn and grow, rest and heal, or govern our communities and support our neighbors. Community facilities projects aim to improve quality of life in neighborhoods and provide the opportunity to shape South Carolina communities for the better, sometimes with an impact spanning generations. In addition to providing loans to finance community facilities through its revolving loan fund, SCCLF is a re-lender for the USDA Community Facilities Relending Program. This means additional financing options are available for organizations in low-income, rural communities to finance essential community infrastructure like schools, healthcare facilities, government buildings, equipment, and more.

SCCLF's participation in the USDA Community Facilities Relending Program was made possible thanks to an innovative partnership between USDA and The Uplift America Initiative. Uplift America was designed to support participation in the Community Facilities Relending Program by increasing the capacity of SCCLF and other community development organizations to manage and deploy the community facility capital. The support was two-fold. First, private financial institutions, primarily Bank of America, provided guarantees for the first five years of the loans which removed the extra step for CDFIs to guarantee funding, and made community lenders more attractive to USDA. Second, re-lenders were eligible to apply for net-asset and capacity building grants from a \$22 million fund pooled by several philanthropic foundations including Bank of America, Ford, JP Morgan Chase, and managed by Mary Reynolds Babcock Foundation. The private grants offered critical capacity building support for functions like staffing and technical assistance as well as net-asset assistance to strengthen balance sheets, enabling organizations to borrow the federal resources.

The Uplift America Initiative and USDA have together provided over \$400 million in community facilities program funds to 26 local lenders. SCCLF was awarded \$10 million to finance community facilities in South Carolina's rural census tracts through the USDA's Community Facilities Relending Program. SCCLF also received a \$1.3 million Uplift America grant and a \$2.1 million program related investment from Bank of America as a guarantee of the loan. The funding will allow SCCLF to significantly boost lending in rural counties, many of which experience poverty levels of 20 to 30 percent.

"The collaboration formed between the USDA, banks, foundations, and community development organizations through the Uplift America Initiative and Community Facilities Relending Program was unprecedented, and I hope we will see more programs following this model," said SCCLF's Chief Executive Officer Michelle Mapp. "It is because of this unique partnership, and the combination of federal, private, and philanthropic funding we received, that we will be able to provide the long-term capital needed to increase access to essential services and improve quality of life in low-income, rural communities across the state."

LENDING IMPACT & DEMAND

2017 PROJECTS

AFFORDABLE HOUSING LOANS

1. Art Brown Construction **\$120,000** 2 units | Charleston County
2. Barony Place Apartments (CCC) **\$150,000** 40 units | Berkeley County
3. Bluewater Horizons, LLC **\$607,100** 20 units | Charleston County
4. Bluewater Horizons, LLC **\$485,000** 16 units | Charleston County
5. Mason Manor Apartments (CCC) **\$100,000** 98 units | Spartanburg County
6. Midlands CDC **\$715,675** 336 units | Richland County
7. P.A.S.T.O.R.S., Inc. **\$412,000** 8 units | Richland County
8. Rivers Place Apartments (CCC) **\$300,000** 48 units | Charleston County
9. The Pointe at Blythewood (CCC) **\$125,000** 56 units | Richland County

HEALTHY FOOD LOANS

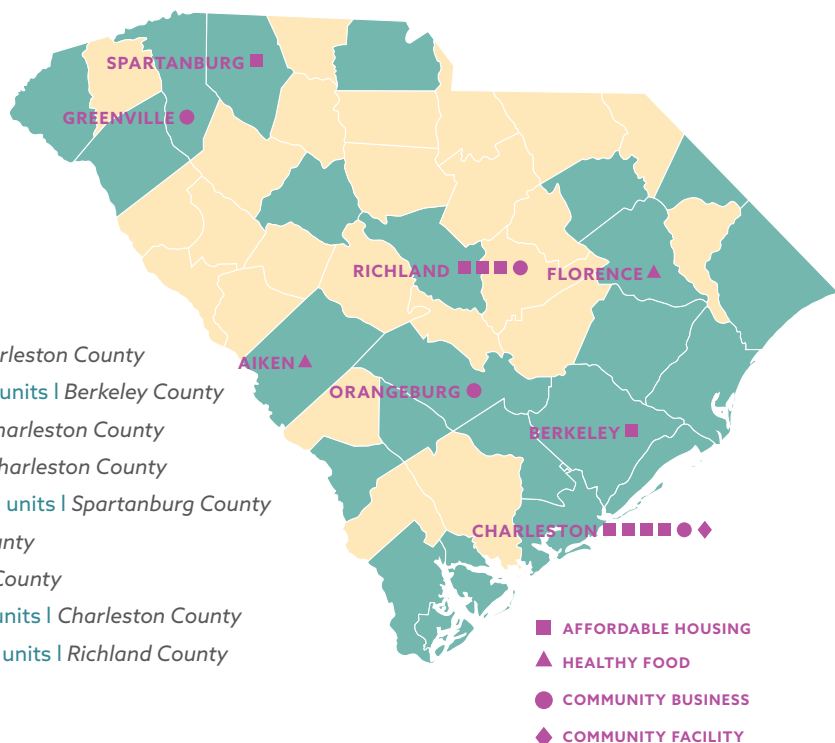
10. Honor Capital, LLC (Save-a-Lot) **\$400,000** | Aiken County
11. Elijah Craig, LLC (Save-a-Lot) **\$802,750** | Florence County

COMMUNITY BUSINESS LOANS

12. Pete's Mobile Auto & Truck Repairs, LLC **\$112,000** | Richland County
13. Workshops at Howard Heights, LLC **\$578,000** | Charleston County
14. El Conuco Caribeno Restaurant **\$99,000** | Greenville County
15. Jacksons Auto Care **\$110,500** | Orangeburg County

COMMUNITY FACILITY LOANS

16. Town of Hollywood **\$1,852,659** | Charleston County



SCCCLF HAS NOW MADE
LOANS IN
22 OF 46
SC COUNTIES

2017 IMPACT



16
Loans



\$6.7
Million in
Financing



\$80.4
Million in
Development



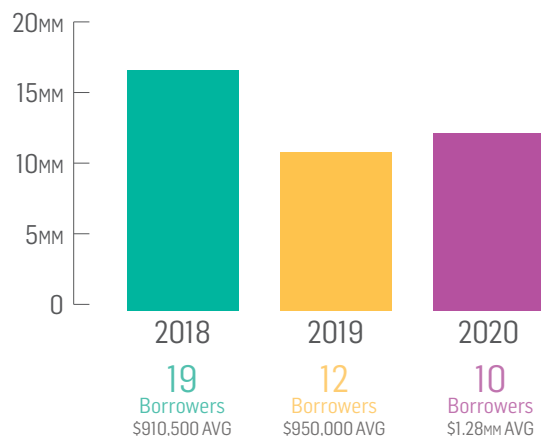
220
Jobs Created
or Retained

Future Demand

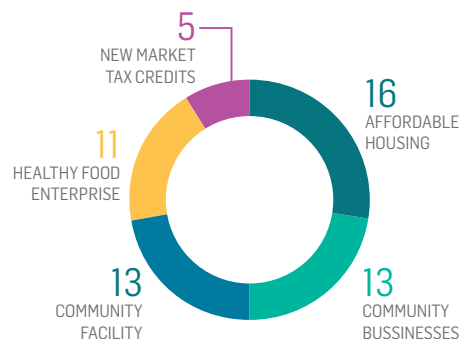
South Carolina Community Loan Fund conducted a survey in June 2017 in an attempt to better understand the demand for community development financing in our state. Survey results indicated significant unmet demand for community development financing. They further indicated a need for SCCLF's technical assistance services and a promising lending market for the foreseeable future.

- 48% of respondents have not secured adequate financing for their community development projects.
- The largest barrier to securing financing is insufficient equity.
- Respondents estimate loan requests of **\$41.5MM** by the end of 2020. Future borrowers are likely to finance projects across **all four** of our lending areas.
- 46% of respondents are likely to borrow from SCCLF by 2020.
- 30% of likely borrowers report needing long term financing (30 years) to make their projects feasible.

ESTIMATES OF LOAN REQUESTS 2018-2020:



TYPES OF PROJECTS RESPONDENTS ARE LIKELY TO SEEK FUNDING FOR:



WHY WE INVEST

"What we've learned about CDFI's is that they require quite a high level of subsidy. From the staff that processes the loan to the staff that actually provides technical assistance and education to their partners, there's a cost for doing that. We've found that it is a very effective strategy to provide general operating support because it makes the organization strong enough to actually grow their loan fund and put more capital on the ground."

– Lavastian Glenn, MRBF



624
Housing Units



2
Healthy Food
Retail Outlets



4
Community
Businesses



1
Community
Facility

TECHNICAL ASSISTANCE

We provide consulting, program services, and workshops to strengthen the business and development capacity of non-profit organizations, for-profit developers, entrepreneurs, and governmental entities. These technical assistance services support the development of projects across our four program areas, helping to increase access to affordable housing, healthy food enterprises, community facilities, and community businesses across the state.

10

WORKSHOPS
& EVENTS

337

ATTENDEES

SPOTLIGHT:

FEEDING INNOVATION

SC Community Loan Fund works in partnership with Clemson Agricultural Extension to increase access to healthy food in food deserts and underserved areas of the state through its Feeding Innovation Program. Feeding Innovation is a comprehensive technical assistance program designed to support entrepreneurs interested in developing or expanding healthy food businesses.

Feeding Innovation participants engage in an intensive entrepreneurial training program featuring NxLevel Courses facilitated by Clemson Extension, which covers everything needed to develop a basic healthy food business plans, from marketing to financial planning to negotiations and deal-making. With help from the course instructor and industry experts, participants refine their ideas and develop their business plans over an eight week period before presenting them to a panel of judges during a final pitch event. The entrepreneur with the strongest business plan is awarded seed capital for their project. Beyond the financial opportunity the program offers, participants gain valuable connections through the program and graduate knowing what steps they need to take to grow their business and how to execute those steps.

SCCLF has held eight Feeding Innovation rounds since the program was established in 2014. These programs have brought in a total of 67 participants, resulting in the completion of 39 healthy food business plans. A total of \$87,500 in seed capital funding has been awarded through the program to help increase access to healthy food across the state. To learn more about Feeding Innovation visit sccommunityloanfund.org/programs.



WHY WE INVEST

"What stood out to us about the Feeding Innovation Program is that it provides a unique and accessible opportunity for entrepreneurs interested in increasing access to healthy food in their communities to turn their business ideas into actionable plans. The program model offers benefits beyond those of an initial capital investment by equipping participants with the training, expertise, and tools needed to launch a strong, sustainable business. This hands-on technical assistance, coupled with the financing available through SCCLF's healthy food lending program, serves as an effective approach to addressing food insecurity in SC's economically disadvantaged, rural communities."

- Erika Kirby, BlueCross BlueShield of South Carolina Foundation*

*An independent licensee of the Blue Cross and Blue Shield Association

FEEDING INNOVATION IN COLLETON AND CATAWBA

SC Community Loan Fund and Clemson Agricultural Extension hosted two Feeding Innovation programs in 2017: Feeding Innovation Colleton and Feeding Innovation Catawba. A total of thirteen entrepreneurs participated in the two programs with the goal of developing and expanding their healthy food businesses to serve food desert communities throughout South Carolina. The Feeding Innovation Colleton class took place in Walterboro, and participants' projects included teaching farms, aquaponics, and mobile and online markets. Feeding Innovation Catawba, which took place in Rock Hill, included an array of business plans from livestock farming to a corner store, farmers market, and mobile pantry.

The programs each culminated in a final pitch night competition, with participants presenting their business plans to a panel for judges for a chance to win a seed capital award. Feeding Innovation Colleton's winner, John Lloyd of Greening the South, is a fourth generation farmer who participated in a past Feeding Innovation session as well as Lowcountry Local First's Growing New Farmers program. John's small scale farm will utilize a farm-to-church supply line, which is vital to low access, rural communities in South Carolina. Alisha Pruett won Feeding Innovation Catawba for her nonprofit mobile pantry, The Bulb, which uses donated and reclaimed food to teach and feed isolated communities in York County. Alisha is a social worker by trade who saw a need for healthy food delivery in rural communities, particularly for residents lacking transportation. John and Alisha both received \$12,500 in seed capital to support the implementation of their healthy food business plans.

While there is only one winner for each program round, the positive benefits of the Feeding Innovation course extend to all participants. Feeding Innovation Colleton participant Ian Dillinger of Instinct Earth said the course completely shifted his thinking to an entrepreneurial mindset. "I think overall it's made me think more like a business instead of a person with just dreams and aspirations and ideas," Ian explained. "It's made me think more practically, and focus on where the money is coming from and where it's going to go." Deryl Scott of Capital City Fresh Farms said he felt Feeding Innovation prepared him to solidify his business plan and become more comfortable presenting it which will help when seeking financing for his



project. "It has really given me an opportunity to see what a business plan is about... and even prepared me to submit a business plan to the loan fund in the future."

Katherine Nelson of STEAM Works Farm told SCCLF that this program was key to helping her make the transition from her longtime career as a teacher, to becoming a healthy food entrepreneur. "This has been on my bucket list but I didn't really know how to do business," she explained. "I can do a lot of things, I mean I taught for 25 years, I have a master's degree, but I had no idea how to operate a business. The program allowed me to grow not only my business but personally... to learn how to set up [my finances] so that we can move forward as a business and be successful."

Participants also stressed the importance of the program for building long-lasting connections. "It's always been something that's innate for me, just talking to people and making connections, but [this program] has reinforced even more the importance of making good connections for the longevity of a business," Ian said. Katherine said that this program helped build a new network of people who all have a similar missions and can support and build upon her work. This network is already proving useful as Kat makes plans to partner with two classmates to distribute her greens through their mobile markets, which will enable them to together provide access to fresh produce in more food desert communities.

ADVOCACY & POLICY CHANGE

In 2017, SCCLF continued to move forward and refine our ongoing advocacy and policy change efforts to better meet the needs of SC communities. We continued to address the lack of affordable housing and healthy food access in the state through our annual housing summit and food access summit, but shifted the content of these events to focus more specifically on the implications and importance of related policy. In addition, we continued to support key policies to facilitate the deployment and attraction of capital to benefit under-resourced communities, shifting our focus away from local policy toward statewide and federal initiatives.

ADVOCACY EFFORTS

SC HOUSING POLICY SUMMIT

SCCLF hosted its fifth annual housing summit in March 2017, this year partnering with Midlands Housing Trust Fund and Community Works Carolina on the event and moving from a tri-county regional summit to a statewide summit. The 2017 SC Housing Policy Summit provided an opportunity for professionals from the nonprofit, public, and private sectors to come together and focus their collective energy on addressing the housing needs of the state's growing workforce. Over 130 attendees from across the state spent the day in Columbia listening, learning, and discussing strategies for advocating for housing equity in our communities. Highlights included a welcome offered by Columbia's Mayor Benjamin, panel discussions on current policy efforts and housing studies from across the state, and a keynote address from Atlanta belt line's visionary, Ryan Gravel.

Developments from past summits have led to a number of efforts to address the lack of affordable housing in the state including Housing Matters SC, an ongoing public education campaign. For more information visit housingmatterssc.com.



SC FOOD ACCESS SUMMIT

The SC Food Access Summit, born out of the SC Food Access Task Force, is an all-day summit that highlights efforts that improve access to healthy food for South Carolinians with limited financial resources. Over 100 attendees ranging from non-profit leaders to farmers to government officials came together in October 2017 for the third annual SC Food Access Summit to learn, network, and discuss strategies for influencing food policy in their communities. Attendees heard from local and regional leaders who have led advocacy and policy change efforts in their communities, and participated in regional breakout sessions facilitated by Community Food Strategies. The day culminated in presentations from the regional breakout groups, with each providing specific takeaways and actionable plans for increasing access to healthy food in underserved areas of the state. The task force has since held follow-up calls for each region to revisit these plans and determine how to move forward.

For more information about the SC Food Access Task Force's efforts visit scfoodaccess.com.



These events would not be possible without the generous support of sponsors. Thank you to our 2017 summit sponsors:



POLICY CHANGE

SC HEALTHY FOOD FINANCING INITIATIVE (HFFI)

The South Carolina Healthy Food Financing Initiative provides access to loans to support local farmers and businesses to renovate or expand food projects in underserved communities. The SC Food Access Task Force was developed in 2012 to set forth an implementation plan for a statewide, state-sponsored HFFI and the SC HFFI received its first appropriation from the South Carolina General Assembly during the 2016 legislative session. SCCLF led the task force in continuing to aggressively pursue HFFI funding in 2017, and worked to build relationships with legislators across the state to support the initiative.

SC COMMUNITY DEVELOPMENT TAX CREDIT

The SC Community Development Tax Credit provides a 33% credit for each dollar invested in or donated to a certified CDC or CDFI, significantly reducing the effective cost of making a donation and allowing a donor to earn an attractive rate of return on their investment. This tax credit is an important tool for incentivizing contributions to organizations like SCCLF, and increasing the amount of private capital available to transform underserved communities. SCCLF stood with other community development advocates working to protect, amend, and expand this credit in 2017, and will continue to do so in 2018 and beyond.

CDFI FUND

The Community Development Financial Institutions Fund (CDFI Fund) plays an important role in supporting and growing the CDFI field by offering tailored resources and innovative programs that invest federal dollars alongside private sector capital in CDFI's across the country. The fiscal year 2018 budget proposal released in early 2017 proposed cutting the CDFI Fund appropriations from \$248 million to just \$14 million, a cut that would be devastating for the CDFI industry and low income communities served through its programs. SCCLF stood with national partners such as Opportunity Finance Network and the CDFI Coalition on this issue, carrying out numerous legislative visits in DC and in in-district offices throughout South Carolina to build bipartisan Congressional support and help ensure full funding of the CDFI Fund in the FY18 budget.



SCCLF's CEO, Michelle Mapp, and COO, Anna Lewin, stop to pose with Jim Clyburn during a series of legislative visits on Capitol Hill in September.



Anna Lewin visits with Senator Tim Scott to discuss the importance of the CDFI Fund during OFN's Advocacy Day in May.

WHY I INVEST

"I was drawn to SCCLF because I believe in their mission, and I continue to invest in the loan fund because it's a responsible, and mutually beneficial, investment opportunity. Investing offers a unique opportunity for me to provide access to the capital SCCLF needs to make more loans in underserved areas of the state, while also receiving a return on my investment through CD tax credits and earned interest. When I make an investment in the loan fund I know my money is not only being invested wisely, but also leveraged to maximize impact in South Carolina communities."

– Robert Johnston, *The InterTech Group*

FINANCIALS

2017 FINANCIAL OVERVIEW:

REVENUE

SCCLF closed 2017 with \$2MM in revenue, an increase of 16% over 2016. Earned income accounted for 48% of total revenue.

LOANS RECEIVABLE

Net loans receivable as of 12/31/2017 totaled \$13MM, an increase of 27% over 2016.

INVESTMENTS

Total investments outstanding as of 12/31/2017 were \$13.9MM, an increase of \$1.6MM over 2016.

NET ASSETS

Net Assets as of 12/31/2017 totaled \$6.1MM. Net assets have grown by an average of 5.76% per year for the past three years.

STATEMENT OF FINANCIAL POSITION:

ASSETS

| | |
|-----------------------------------|---------------------|
| Cash and Investments | \$6,974,972 |
| Loans Receivable | \$13,798,151 |
| Reserve for Loan Loss | (\$848,048) |
| NMTC Non-Recourse Note Receivable | \$6,200,00 |
| Plant and Equipment | \$33,171 |
| Other Assets | \$51,673 |
| Total Assets | \$26,209,919 |

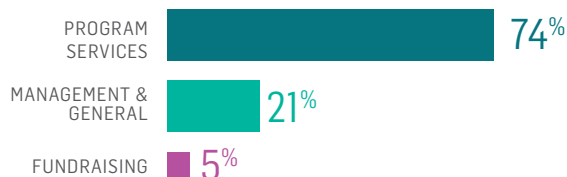
LIABILITIES & NET ASSETS

| | |
|---------------------------------|---------------------|
| Accrued and Other Payables | \$86,297 |
| Deferred Revenue | \$0 |
| Program Related Investments | \$1,350,000 |
| Other Investments | \$7,723,638 |
| Equity Equivalent Investments | \$4,792,000 |
| NMTC Non-Recourse Notes Payable | \$6,200,000 |
| Total Liabilities | \$20,151,935 |

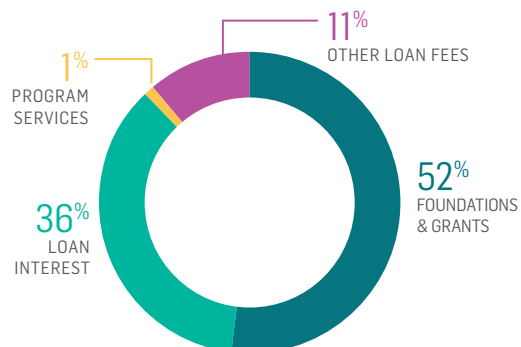
NET ASSETS

| | |
|-------------------------|--------------------|
| Unrestricted | \$5,276,037 |
| Temporarily Restricted | \$781,947 |
| Total Net Assets | \$6,057,984 |

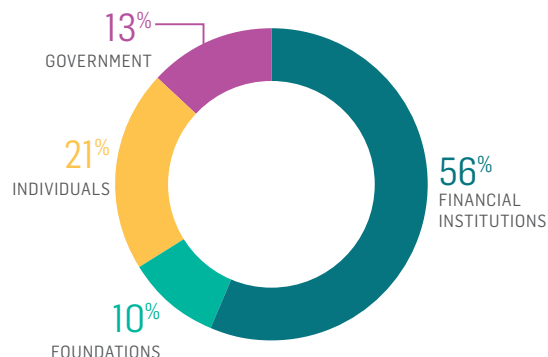
EXPENSES \$1,745,425 TOTAL



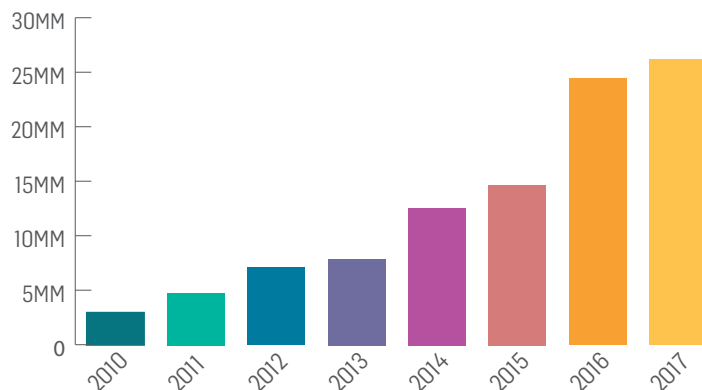
PUBLIC SUPPORT AND REVENUE \$2,001,236 TOTAL



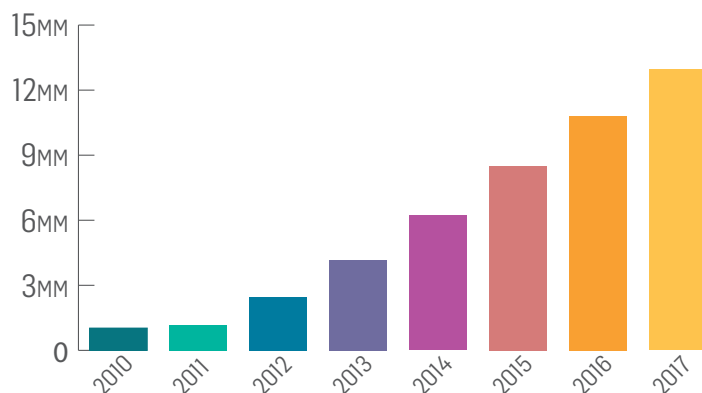
REVOLVING LOAN FUND INVESTORS \$13,865,638 TOTAL



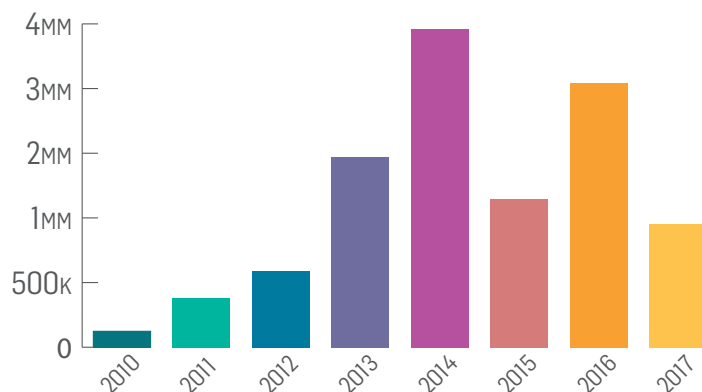
TOTAL ASSETS



LOANS OUTSTANDING



INVESTMENTS



Elliott Davis Decosimo, LLC audited the financial statements for the fiscal year ending December 31, 2017 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.



CAPITAL SPOTLIGHT: SC STATE HOUSING FINANCING AND DEVELOPMENT AUTHORITY

PROVIDING SEED CAPITAL FOR LONG-TERM GROWTH

SC Community Loan Fund was founded in 2004 as the Charleston Housing Trust. The organization was formed out of the City of Charleston's Mayor's Council on Homelessness and Affordable Housing in an effort to address the lack of affordable housing in Charleston. However, it was a \$1 million grant from SC State Housing Financing and Development Authority that truly launched the organization and positioned SCCLF for growth. The grant from SC Housing served as seed capital for the start-up organization and enabled SCCLF to provide its first affordable housing loans to ten community partners, including the Humanities Foundation, Metanoia, East Cooper Habitat for Humanity, and the United Methodist Relief Center.

Since 2005, SCCLF has leveraged the \$1 million grant from SC Housing to grow their assets to over \$26 million and provide 329 loans in underserved areas of the state. Thanks to this initial support, SCCLF has also been able to expand their programs and service area, grow their revolving loan fund exponentially, and attract millions of dollars in additional funding to support their mission and work.

STAFF

Michelle Mapp

Chief Executive Officer

Anna Hamilton Lewin

Chief Operating Officer

Brendan Buttimer

Community Development Loan Officer (Upstate)

Debby Waid

Chief Program Officer

Holly Shinn

Communications Coordinator

James Chatfield

Community Development Loan Officer (Midlands)

Leigh Ann Shelton

Chief Financial Officer

Patrick King

Chief Lending Officer

Shanequa Mathieu

Operations Manager

Shelley Hough

Portfolio Manager

Victoria Baker

Communications & Development Manager

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Cityvolve, LLC

Wendy Zara

Vice-Chairman
Retired Financial Advisor

Thomas Anderson

Treasurer
South State Bank

Ashley Heggie

Secretary
Greystar

Jennie Stephens

At-Large
Center for Heirs' Property Preservation

Andy Hewitt

The Paramount Group- SC

Carolina Mascarini

Charleston Urban League

Jacqueline McLeish

Sunrun Installations

Jan Clark

Intertech SC

Janice Connor

TD Bank

Michael Mansson

Ziff Properties

Quinetha Frasier

MyPledger.com

Robert Johnston

The InterTech Group, Inc.

Robert Nettles

Howell Linkous & Nettles, LLC

Sedrick McCallum

Woodforest National Bank

Kelly Price

ICF International

Zach Bearden

Origin Development Partners, LLC

DONORS/INVESTORS

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G Russ Gantt
George Morrison
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Vince Graham
Zach Bearden

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Ashley Heggie
BNC Bank
Kelly Price
National Committee
for Responsive
Philanthropy
Whitney Powers

\$1,000 - \$4,999

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BB&T Bank
City of Charleston
Community Foundation
of Greater Birmingham
Community Works
Carolina
Emily Abedon
Graycliff Capital Partners
Jennifer Moore
Jim Haley
Karen Abrams
PNC Bank
Robert Johnston
SC Association for
Community Economic
Development
SC Department of
Agriculture
Wendy Zara

\$5,000 - \$9,999

Elizabeth and Childs
Smith
Patricia Lewin
Tom Baker

\$10,000-99,999

City of Charleston
SunTrust Bank
Woodforest National Bank

\$100,000- \$499,999

Article 6 of the Jerry
Zucker Revocable Trust,
dated 4/2/07*
BlueCross BlueShield
of South Carolina
Foundation
Carolina Alliance Bank*
CDFI Community
Investment Fund LLC*

Mary Reynolds Babcock
Foundation
Robert Johnston*
TD Bank*

\$500,000+
Bank of America*
Wells Fargo*

*Asterisk indicates
2017 investor



SOUTH CAROLINA

Community Loan Fund

Investing in Community

COASTAL OFFICE

1064 Gardner St. Ste 302
Charleston, SC 29407

MIDLANDS OFFICE

4400 Main Street
Columbia, SC 29203

UPSTATE OFFICE

160 E St John Street
Spartanburg, SC 29306

OPPORTUNITYFINANCE
NETWORK

AERIS
RATED
★★ A-
POLICY PLUS

