

South Carolina
Community Economic Development Act
2015 Activity Report



South Carolina
Department of Commerce

Just right for business.

COMMUNITY DEVELOPMENT CORPORATIONS

In 2000, the South Carolina General Assembly passed, and Governor Jim Hodges signed into law, the South Carolina Community Economic Development Act authorizing the appropriation of \$5 million over 5 years (\$1 million annually) to state certified community development corporations (CDCs) and community development financial institutions (CDFIs). The purpose of the appropriation is to support CDCs and CDFIs whose primary function it is to develop projects and activities that enhance economic opportunities and wealth creation in the economically challenged communities through community economic development (CED). CED includes efforts to enable low-to-moderate income persons to become small businesses owners, homeowners, and secure jobs through the development of small businesses, jobs, affordable housing and economic development in the community. In 2015, the South Carolina General Assembly appropriated \$100,000 in the 2015 State Budget.

The purpose of this grant program is to support certified CDC and CDFI sponsored projects in the State of South Carolina that creates small and micro businesses, develops commercial opportunities in underserved/rural communities and creates jobs for low-to-moderate income persons. The Secretary of the SCDOC reviews all applications recommended by the CED Grant Review Committee and submitted by SCACED for funding before making the final decision regarding each funding request.

CDC/CDFI Overview

There are currently 22 certified CDC's and CDFI's in SC:

Organization	Type	County
Allendale County ALIVE	Certified CDC	Allendale
Anderson Interfaith Ministries	Certified CDC	Anderson
Benedict-Allen CDC	Certified CDC	Richland
Business Development Corporation of SC	Certified CDFI	Richland
The Butterfly Foundation	Certified CDC	Spartanburg
Local Development Corporation	Certified CDFI	Charleston
Community Assistance Providers	Certified CDC	Richland
Community Works Carolina	Certified CDC	Greenville
Genesis Homes	Certified CDC	Greenville
Greenwood Area Habitat for Humanity	Certified CDC	Greenwood
Homes of Hope	Certified CDC	Greenville
Increasing H.O.P.E.	Certified CDC	Charleston
Low country Community Action Agency	Certified CDC	Colleton
Metanoia CDC	Certified CDC	Charleston
Midlands Housing Trust Fund	Certified CDFI	Richland
Northside Development Corporation	Certified CDC	Spartanburg
Operation Restoration	Certified CDC	Spartanburg
Santee-Lynches CDC & Affordable Housing	Certified CDC	Sumter

COMMUNITY DEVELOPMENT CORPORATIONS

SC Community Loan Fund	Certified CDFI	Charleston
Southeastern Housing Foundation	Certified CDC	Barnwell
Sumter County CDC	Certified CDC	Sumter
TN Development Corporation	Certified CDC	Richland

There are 32 member organizations NOT certified as either a CDC or CDFI:

Organization	Type	County
30901 Development Corporation	CDC	Richmond
Beaufort County Black Chamber of Commerce	Associate- Chamber of Commerce	Beaufort
Blackville CDC	CDC	Barnwell
CDC of Marlboro County	CDC	Marlboro
Center for Heirs Property Preservation	Associate - Other	Charleston
Columbia Housing Development Corporation	Associate	Richland
Eau Claire North Columbia Development Corporation	CDC	Richland
East Cooper Community Outreach	Associate - Social Service Agency	Charleston
Empowerment Zone	CDC	Richland
Foothills Family Resources	Associate - Social Service Agency	Greenville
Highland Community Development Corporation	CDC	Spartanburg
Innovative Rural Development Corporation	CDC	Spartanburg
Lexington County Community Development	Associate- Government Agency	Lexington
Jasper County Neighbors United, Inc.	CDC	Jasper
Mill Village Farms DBA Nasha Lending	CDC	Greenville
Marion County Collaborative Action Network	CDC	Marion
New America Corporation	CDC	Orangeburg
Osprey Village	CDC	Beaufort
Prime Community Development Corporation	CDC	Georgetown
Ridgeville Community Resource Center	Associate-Other	Dorchester
Sewee to Santee CDC	CDC	Charleston
South Carolina Coastal CDC	CDC	Beaufort
South Carolina Community Capital Alliance	CDFI	Greenville
South Carolina Legal Services	Associate	Richland
Southern Carolina Regional CDC	CDC	Bamberg
South Carolina Uplift Community Outreach	CDC	Lexington
Sterling Land Trust	Associate	Greenville
Telamon Corporation	Associate - Social Service Agency	Richland
Trinity Housing Corporation	Associate - Social Service Agency	Richland
United Way of Greenville	Associate - Other	Greenville
United Housing Connections	Associate	Greenville
Wateree Community Actions, Inc.	CDC	Richland

COMMUNITY DEVELOPMENT CORPORATIONS

FINAL REPORT: 2014 MICROENTERPRISE PARTNERSHIP PROGRAM

Awardees: Charleston Citywide Local Development Corporation & CommunityWorks Carolina

Reporting Period: March 1, 2015 to February 15, 2016

1. Lending Activity and Use of Funds:

CommunityWorks Carolina

<i>Use of MPP Funds</i>	<i>Approved MPP Expenditures</i>	<i>Amount Expended</i>
Loan Capital	\$75,000	\$75,000
Business Training	\$8,500	\$8,500
Business Coaching	\$11,700	\$11,700
Small Business Underwriting and Business Support	\$4,800	\$4,800
Total	\$100,000	\$100,000

Charleston Citywide Local Development Corporation

<i>Use of MPP Funds</i>	<i>Approved MPP Expenditures</i>	<i>Amount Expended</i>
Loan Funds*	\$65,000	\$34,000
Technical Assistance	\$15,250	\$5,820
Loan Loss Reserves	\$9,750	\$5,100
Operations	\$10,000	\$10,000
	\$100,000	\$54,920

*As displayed above, Charleston Citywide Local Development Corporation has yet to expend \$31,000 of its awarded loan capital. While we are actively working with them to obligate the remaining loan capital, it should be noted that LDC did not receive their 1st disbursement in MPP funds until April 6th, 2015, and I believe CommunityWorks received their 1st disbursement about a month earlier in March of 2015. SCACED hopes that the DoC will give LDC at least through April to expend the remaining loan capital and other funds related to Technical Assistance and Loan Loss Reserves.

COMMUNITY DEVELOPMENT CORPORATIONS

2. Loan Portfolio:

CommunityWorks Carolina:

During the grant period, CW closed ten Business Builder Loans for a total of \$77,629 in loan funds. Below is a description of the microbusinesses supported through these loan funds:

-Klicks by Kisha is a photo booth business that is transported to local events such as weddings, birthday parties, and school proms. Ms. Wheeler was approved for a \$5,000 loan to purchase equipment and get her business started.

-Clout Mastering LLC is an audio production company that provides numerous services within the music industry. Mr. Long was approved for an \$8,500 loan to purchase hardware and software to get his business started.

-Natasha's Studio of Beauty is an up-scale salon that provides a range of hair, nail, and skin services as well as a line of beauty products. Ms. Phillips was approved for an \$8,000 loan to purchase equipment to open her salon. All three of these businesses have the potential to expand their service area and grow the number of employees.

- ConsignWerks is an upscale consignment store that sells popular brand name clothing/shoes/accessories, furniture, and household items. Ms. Sullivan was approved for a \$3,000 loan to purchase more equipment for her store.

- New Age Health is a dental clinic who has partnered with a local nonprofit to provide affordable dental care to Head Start students, families, and pregnant women. Mr. Simpson was approved for a \$4,629 loan to purchase equipment and hire additional staff.

- Opulent Resources is a Mexican grocery store catering to the Hispanic community and offers grocery products and indigenous produce items. Mr. Owens was approved for a \$10,000 loan to purchase equipment and make improvements to his store to expand services.

- CaiDar Technology is a technology firm that provides audio/video, security/surveillance, entertainment, educational, network, and integrated audio/video and data solutions for public and private sector clients. Mr. Manzira was approved for an \$8,500 loan for a second office and for installation of audio/video systems.

- Fern Medical is a nurse practitioner owned primary care clinic serving an underserved area of Anderson County for primary care providers. Ms. Wise was approved for a \$10,000 loan for start-up costs.

- Pompeii Motorsports provides automotive services tailored towards the automotive enthusiast. Mr. Jimenez was approved for a \$10,000 loan to secure a specialized piece of equipment to work on cars.

- Lomax Fast Taxes is a seasonal tax preparation business that was approved for a \$10,000 loan to operate year-round by adding a life and health insurance business line.

LDC:

During the grant period, LDC closed three loans totaling \$34,000 in loan funds. Below is a description of the microbusinesses supported through these loan funds:

-Lowcountry Children's Academy, LLC - \$15,000 MPP loan – for a woman-owned start-up child care center.

-Cutterman, LLC - \$9,000 MPP loan – for a minority woman veteran-owned start-up cigar company.

-Lynn's Child Care Development Center, LLC - \$10,000 MPP loan – for a minority woman and minority veteran-owned start-up child care center.

-The Orange Spot Coffeehouse - \$4,000 MPP loan (commitment issued but not yet closed due to negotiations with landlord) – for two low-income women to expand capabilities for food in the coffeehouse.

COMMUNITY DEVELOPMENT CORPORATIONS

3. Loan Pipeline:

CommunityWorks Carolina:

CW has depleted the original \$75,000 in loan capital and has begun to re-lend repaid funds.

LDC:

LDC currently has 11 microloan requests totaling \$123,600 and anticipates at least a few of these to close during February and March to fully expend the remaining \$31,000 in loan capital.

4. Leveraging and Collaboration:

Awardees are required to match their respective \$100,000 grants 1:1 with an additional \$100,000 from other sources.

CommunityWorks Carolina

Funder	Amount	Status	% of Match Requirement (1:1)
1. Bank of America	\$10,000	Awarded	10%
2. BB&T	\$5,000	Awarded	5%
3. City of Greenville	\$20,000	Awarded	20%
4. Microbusiness Partnership Program	\$100,000	Awarded	MPP Award
5. SBA	\$250,000	Awarded	250%
6. SBA TA	\$50,000	Awarded	50%
7. TD Bank	\$7,500	Awarded	10%
8. USDA IRP	\$150,000	Awarded	150%
9. Wells Fargo	\$10,000	Awarded	10%
10. South State Bank	\$10,000	Awarded	10%
Total	\$612,500		6.1:1

LDC

Funder	Amount	Status	% of Match Requirement (1:1)
1. SBA	\$81,000	Existing	81%
2. SBILP	\$100,000	Existing	100%
3. LDC	\$19,000	Existing	19%
4. Microenterprise Partnership Program	\$100,000	Awarded	MPP Award
Total	\$300,000		3:1

Total Leverage of 4.6 to 1 (\$912,500 from all sources compared to \$200,000 in MPP funds)

COMMUNITY DEVELOPMENT CORPORATIONS

5. Project Outcomes:

CommunityWorks Carolina

- ***30 jobs were retained or created (Upstate)***

In 2015, CW helped business owners create and/or retain **33 jobs** for Upstate residents. CW anticipates that in 2016, this number will continue to grow. **20** of these jobs were created or retained directly from the use of MPP funds

- ***120 entrepreneurs will complete small business training and coaching (statewide)***

During the grant period, CW was able to connect **133 entrepreneurs** with small business coaching and training. CW had an extremely successful partnership with the SC Hispanic Chamber and provided over 60 Hispanic entrepreneurs with NxLevel training courses. CW has extended this partnership with the SC Hispanic Chamber to provide even more entrepreneurs and Individual Development Account business clients with training during 2016.

- ***\$500,000 in loan capital will be provided to start up or existing businesses (Upstate)***

In 2015, CW closed 39 loans totaling nearly \$736,000. The average loan size during 2015 was \$18,870. These loans were used to help entrepreneurs start or expand their businesses in the Upstate. CW was able to use all of the MPP funds within 10 months of rolling out the program.

Since January 2015, CW has provided \$736,000 in loans to local entrepreneurs to average \$18,870 per loan. CW will continue to exceed the projected goal.

COMMUNITY DEVELOPMENT CORPORATIONS

LDC

• 8-12 loans will be funded		
Lowcountry Children’s Academy, LLC	\$15,000	MPP loan
Charles Towne Child Development Center	\$15,000	Matching loan
The Oaks Children’s Academy, LLC	\$25,000	Matching loan
Cutterman, LLC -	\$9,000	MPP loan
Glow Nail Bar, LLC	\$25,000	Matching loan
Lynn’s Child Care Dev. Center, LLC	\$10,000	MPP loan
Island Oak Spa & Nail, LLC	\$25,000	Matching loan
Love Over Fear	\$10,000	Matching loan
The Orange Spot Coffeehouse	\$4,000	MPP loan (not yet closed)
The Orange Spot Coffeehouse	\$5,500	Matching loan (not yet closed)
Total of 10 loans		
• 80-120 hours of technical assistance will be provided		
Lowcountry Children’s Academy, LLC	40.50 hours	
Charles Towne Child Development Center	74.74 hours	
The Oaks Children’s Academy, LLC	40.75 hours	
Cutterman, LLC	53.50 hours	
Glow Nail Bar, LLC	53.25 hours	
Lynn’s Child Care Dev. Center, LLC	62.50 hours	
Island Oak Spa & Nail, LLC	15.25 hours	
Love Over Fear	23.75 hours	
The Orange Spot Coffeehouse	25.25 hours	
Total of 389.49 hours of TA provided		
• 8-40 jobs will be impacted		
Lowcountry Children’s Academy, LLC	4.5 jobs created	
Charles Towne Child Development Center	2.0 jobs created 5.5 jobs retained	
The Oaks Children’s Academy, LLC	6.0 jobs created 9.0 jobs created (within 2 year)	
Cutterman, LLC -	2.5 jobs created 1 job created (within 2 years)	
Glow Nail Bar, LLC	5 jobs created 5 jobs created (within 2 years)	
Lynn’s Child Care Dev. Center, LLC	4 jobs created 3.5 jobs created (within 2 years)	

COMMUNITY DEVELOPMENT CORPORATIONS

Island Oak Spa & Nail, LLC	7.0 jobs retained 7.0 jobs created (within 2 years)
Love Over Fear	1.0 job retained 4.0 jobs created (within 2 years)
The Orange Spot Coffeehouse	3.0 jobs retained 2.0 jobs created (in 2 years)
55.5 jobs created/ 16.5 jobs retained	13 jobs created (3 jobs retained from MPP)
• <i>Private investment will be further leveraging funds</i>	
Lowcountry Children’s Academy, LLC	leveraged by \$65,000 in other funds
Charles Towne Child Development Center	leveraged by \$80,000 in other funds
The Oaks Children’s Academy, LLC	leveraged by \$85,000 in other funds
Cutterman, LLC	leveraged by \$97,000 in other funds
Glow Nail Bar, LLC	leveraged by \$95,000 in other funds
Lynn’s Child Care Dev. Center, LLC	leveraged by \$88,000 in other funds
Island Oak Spa & Nail, LLC	leveraged by \$217,000 in other funds
Love Over Fear	leveraged by \$3,200 in other funds
The Orange Spot Coffeehouse	leveraged by \$10,500 in other funds

Subsequent Grant Report Deadlines: Awardees to SCACED

- July 3rd (covering May 1st through June 30th)
- September 3rd (covering July 1st through August 31st)
- November 4th (covering September 1st through October 31st)
- February 15th (Final Grant Report covering entire 12-month grant period)

Subsequent Grant Report Deadlines: SCACED to Commerce

- July 10th (covering May 1st through June 30th)
- September 11th (covering July 1st through August 31st)
- November 11th (covering September 1st through October 31st)
- February 19th (Final Grant Report covering entire 12-month grant period)