



Dear Governor McMaster:

We are writing to respectfully request \$100MM to create a loan fund to support small businesses, affordable housing developers, and non-profit organizations. The Accelerate SC Loan Fund will provide capital opportunities through low-interest loans to finance business relief, recovery and resiliency. The fund will be administered by Community Works, the Charleston LDC, and South Carolina Community Loan Fund, three South Carolina-based Community Development Financial Institutions (CDFIs). Our organizations' missions are to increase the availability of capital to low-to-moderate income communities throughout South Carolina by providing loans and business coaching services. With a combined total of 68 years' experience making loans to low-to-moderate income communities in South Carolina.

The important shutdowns and subsequent restrictions on small businesses necessitated by the needs to contain COVID 19 created unavoidable economic distress for business owners, their employees and their customers. Many small Businesses and nonprofit organizations have been hit hard, and unfortunately been unable to access funding opportunities through the CARES ACT, in particular smaller minority businesses and those in the rural areas that did not have ready access to traditional financial institutions or the resources to wade through myriad of requirements associated with such programs.

These businesses and nonprofit organizations have been directly impacted by shutdowns, stay at home orders and the new safety regulations they need to implement to safely reopen regardless of whether they were able to access CARES Act support. Nonprofit organizations have been at the front lines responding to the basic needs of furloughed and laid off employees as well as vulnerable families and households that have been directly impacted by the virus. In particular, small businesses owned by people of color have had additional challenges accessing funding through the CARES act and have permanently closed at significantly higher rates than white owned businesses. Each of our organizations has been working to address the critical needs faced by small business owners and nonprofit organizations in our state, including providing emergency relief loans and business counseling services, and processing PPP applications.

Many South Carolinians were already struggling to make ends meet before the pandemic. The need for affordable housing across South Carolina was already at a critical level, and the case for affordable housing has never been stronger as many activities of our daily life (work, school, worship) are taking place from home. A recent article in the Columbia Business Journal pointed out that the average renter in South Carolina would need to work 2.4 full-time jobs at minimum wage to afford the two-bedroom fair market rent, and two full-time jobs to afford the one-bedroom rent. The newly passed state Low Income Housing Tax Credit will help, but there is a need for additional capital to produce and preserve affordable housing in South Carolina. Each of our organizations provides this critically needed capital.

All of this means that CDFIs can play a meaningful role in South Carolina's response to COVID-19. We know that the \$2B that has come to South Carolina from federal relief packages will provide some direct

relief to the citizens, small businesses and nonprofits of South Carolina, but this will be a small infusion toward recovery compared to the economic losses, unemployment impacts, household and business expenses families and small businesses have felt. Our organizations can help leverage these federal resources with other SC public and private investments to support a full recovery and restart the economy in South Carolina. With your support, we can Re-Open South Carolina and ensure all its citizens are successful.

Thank you for your consideration.


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