



Partner
Community
Capital™

2020

2021

IMPACT

REPORT

LETTER FROM LEADERSHIP

The COVID epidemic and deepened social unrest of 2020 prompted us at Partner Community Capital to ask: What is the role of a Community Development Financial Institution (CDFI) when our society and economy are in turmoil? In 2020, we served as financial first responders to small businesses with emergency loans, grants, and loan deferment. We made 2.5 X as many loans as in a “normal” year. At the same time, we acted proactively, launching new loan and advisory services for businesses owned by women and people of color, who are historically underserved and disproportionately impacted by economic downturns. We were fortunate to receive an outpouring of support from our funders, who stepped up with resources so that we could respond to the crisis at hand and prepare for the future.

In 2021, we continued to support our borrowers and make investments in emerging markets. We also rebranded as Partner Community Capital to better reflect how we work with businesses, co-lenders, community leaders, funders and investors.

2021 also marked 20 years of service for our organization. In that time, we’ve grown from investing in natural capital to addressing the interwoven issues of social capital, as well. PCAP has built a strong portfolio around health care, childcare, and education, making the investments needed to advance equity and help communities flourish.

We know that we do our best work when we partner with others. Moreover, we know that solving the environmental and social challenges of our time requires us to work together. Collectively, we face a long road to alleviating poverty, disease, inequality, and the effects of climate change – but the road starts here. We’ve organized this impact report around the UN’s Sustainable Development Goals that PCAP addresses, joining a global partnership and keeping a focus on improving the lives of people in Central Appalachia and the Southeast.

Join us on the road to a more equitable, resilient future.



Marten R. Jenkins Jr.

President & CEO



Jeffrey Lusk

Board of Director Chair



2020

A year of challenge, determination, and resilience

- Loans related to COVID Relief: 69%
- Loans to women and people of color: 52%
- Loans to rural and economically distressed communities: 88%
- Jobs Created/Retained: 1,116
- Advisory Services: 4,364 hours to 323 businesses
- Special programs supporting:
 - Downtown redevelopment
 - Tourism and recreation
 - Local food systems
 - Clean energy
 - Women and minority-owned businesses
- # of PCAP Borrowers that failed due to COVID: 0
- 3rd party TA spending for 2020: \$231,172

COVID 19

Like so many of our sister CDFIs, PCAP was a “financial first responder” when COVID effectively shut down the economy. Sixty nine percent of our 2020 loans were COVID-related, delivered through the SBA Paycheck Protection Program, the NC Rapid Recovery Loan Program, and our own West Virginia Emergency Loan Program. We also distributed \$1.05M in grants funded by Truist Bank to 83 businesses across our geography. No PCAP borrowers went out of business during COVID. In 2021, we stepped up again to offer SBA PPP loans.

Why did our businesses do better during COVID than the general population? PCAP invests in thoughtful, indefatigable entrepreneurs who are committed to the success of their business as well as their communities. Furthermore, PCAP is a small team dedicated to the wellbeing of our borrowers, so we reached out to each and every business to help them with loan deferment, PPP applications, and other support. In fact, we supplied more than 50% of our borrowers with loan deferments, made possibly by the generous support of our funders.

LIST OF COVID-RELIEF FUNDERS:

- Truist
- Wells Fargo Foundation
- Claude Worthington Benedum Foundation
- Appalachian Regional Commission
- U.S. Department of the Treasury CDFI Fund
- Calvert Impact Capital
- Bank of America
- U.S. Small Business Administration
- US EDA

“PCAP has been a life saver for our business during COVID. The flexibility they provided us with to help manage our loss of business kept us solvent during the first year of COVID. Without PCAP, we would not be in business today.” —Robert Walker with The Inn at Forest Oaks

2021

*Celebrating
20 years
of lending*

Between 2001 and 2021, PCAP has lent over

\$100,000,000

to **800+** businesses
& nonprofits

~50%

of our borrowers are
**WOMEN AND/
OR MINORITIES**

85%

of PCAP's portfolio businesses and
nonprofits are in rural or economically
distressed communities

PCAP borrowers have

CREATED OR RETAINED MORE THAN

7,100 JOBS

AND GENERATED A WIDE RANGE OF SOCIAL
AND ENVIRONMENTAL BENEFITS

1,500 have received
companies **39,000**
hours

of PCAP advisory services
to support business growth and stability

10 REDUCED
INEQUALITIES

BUILDING EQUITY FUND AND THE EASTERN NC ENTREPRENEURIAL PROMISE (ENCEP)

ADDRESSING THE RACIAL EQUITY GAP

2020's health and economic crises laid bare the persistent effects of systemic racism on people of color – and Black Americans in particular. For Black small business owners, these inequities manifest as a lack of capital, financing, mentorship, and support, all needed for growth. In response, we've launched the Building Equity Fund, which provides loans of \$50K to \$250K to BIPOC-owned businesses as well as access to expert consultants paid by PCAP to deliver the targeted support each borrower needs. Most importantly, we convert 10% of BEF loans to equity in the business to help build wealth for Black businesses, families, and communities. We are piloting the BEF with support from the Wells Fargo Open for Business Fund.

In partnership with the National Institute of Minority Economic Development and financial support from the NC IDEA Foundation, PCAP launched the **Eastern NC Entrepreneurial Promise (ENCEP)**, an accelerator for BIPOC- and women-owned businesses from economically distressed counties in Eastern NC. The first cohort of ENCEP launched with eight companies in July 2021; two more cohorts are scheduled for 2022. Companies attend 40 hours of interactive workshops on marketing, operations, and finances, are paired with a mentor, and have access to expert assistance and capital.



5 GENDER
EQUALITY

WEST VIRGINIA WOMEN'S BUSINESS CENTER ASSISTING WEST VIRGINIA'S WOMEN ENTREPRENEURS

PCAP launched the [West Virginia Women's Business Center](#) in 2020, with support from the U.S. Small Business Administration, Truist, and the Claude Worthington Benedum Foundation. WV WBC's goal is to support women and minority-owned businesses and other under-resourced entrepreneurs by delivering hands-on advising, skills training, networking, mentorship, and connections to capital to businesses seeking to start or scale up. Small businesses are key to building a more diversified and stable economy in WV – they just need the right tools. The WV WBC operates from offices in Charleston and Fairmont as well as virtually.

YOU'VE GOT THIS!

START, SCALE, SUCCEED.



MINI-GRANT PROGRAM FOR WOMEN AND PEOPLE OF COLOR IN WV

PCAP recently completed our maiden round of "Level Up: Mini Grants for What Comes Next" to women and minority-owned businesses in WV. We awarded 26 grants ranging from \$1,000 - \$3,500 for uses including equipment, software, certifications, inventory, and market development to support early-stage and expanding businesses to take the next step on their path and explore what is to come. These mini-grants were made possible by funding from Appalachian Community Capital and Truist Bank. The ability to regrant funds to businesses fills a critical gap in access to capital for disadvantaged businesses.



"The West Virginia Women's Business Center is for anyone with a dream or an idea. I had a dream, and through the support of the center, I was able to make it a reality." — Rebecca Cobourne

Quoted in [WV Women's Business Center Celebrates Grand Opening in Charleston](#), WV Gazette Mail, 18 May 2022.

3 GOOD HEALTH
AND WELL-BEING

POTOMAC CROSSROADS COUNSELING FUNDING CRITICAL SERVICES IN RURAL COMMUNITIES

Access to services – from high-speed internet to quality childcare and healthcare – make it possible for families and businesses to work and thrive. Geography shouldn't be destiny, but rural communities struggle to keep up with their urban cousins when basic social and technological infrastructure lag behind.

In 2020, PCAP partnered with the Bank of Charles Town to help Potomac Crossroads Counseling purchase a building in Shepherdstown, WV. In its new location, the woman-owned counseling business will be able to grow its capacity, hire additional counselors, and provide more mental-health services to the community.





TYGART HOTEL

DOWNTOWN APPALACHIA REDEVELOPMENT INITIATIVE



PCAP launched our Downtown Appalachia Redevelopment Initiative in 2018 to help developers advance real estate projects that would be catalytic to their downtown districts. Working across the state of West Virginia, we provide hands on development assistance, financial support for predevelopment costs, and flexible financing.

PCAP engaged with Woodlands Development Group, Inc. as part of our Downtown Appalachia Redevelopment Initiative. PCAP made a \$2.2 million construction bridge loan to Woodlands for the \$16 million Tygart Hotel project: redeveloping the 42,000 sq. foot historic property into a 56 room, boutique hotel in downtown Elkins, WV. This was PCAP's first New Market Tax Credit leveraged loan and largest loan we've closed to date in WV. Thanks to Truist's \$3 million loan to PCAP to support our small business lending in WV and their investment in CornerSquare Community Capital, which purchased a 25% participation in the project, PCAP was able to consider and ultimately originate the loan. The Tygart Hotel is in a distressed census tract, where it will primarily serve visitors of the Monongahela National Forest, wilderness areas, and ski areas. The project will create 150 construction jobs and 55 quality, permanent jobs. PCAP would not have been able to even consider a transaction of this scale without the critical investment by Truist and support from lending partners such as fellow CDFI, Coastal Enterprises, Inc.

7 AFFORDABLE AND
CLEAN ENERGY

APPALACHIA SOLAR FINANCE FUND

MAKING CLEAN ENERGY AN OPPORTUNITY FOR EVERYONE

Catalyzing the use of renewable energy sources remains core to PCAP's work – we fund renewable energy companies and help small businesses and farms adopt energy strategies that reduce the use of fossil fuels, cut operating costs, and support high quality jobs.

Solar in particular offers opportunities to save money, combat climate change, and create high-quality jobs. Unfortunately, economic and regulatory barriers have stifled the renewable energy industry's growth in Central Appalachia. In response, PCAP is working with partners across the region to launch the Appalachian Solar Finance Fund (SFF).

The SFF will help break down barriers for solar projects through incentives and technical support, creating a pipeline that demonstrates the market opportunity to developers and investors, as well as residents who can advocate for more solar-friendly policies to their local representatives.

The SFF is expected to attract \$7.9 million in private investments, create \$5.4 million in energy savings and create 282 jobs. The SFF is being funded by an Appalachian Regional Commission POWER grant and the Claude Worthington Benedum Foundation. The project will be anchored by PCAP, Appalachian Voices and Invest Appalachia, and supported by a network of partners across the region.



GET INTO ACTION

SUSTAINABLE DEVELOPMENT GOALS

OVERVIEW

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

TAKE ACTION - UN GOALS

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. Learn more and take action.

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partnercapital.org/donate

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 AWARD-WINNING WEBSITE**
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