

CDFI FRIENDLY SOUTH BEND



2023

ANNUAL REPORT

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Dear Supporters, Community, and Friends,

The goal of CDFI Friendly South Bend is to increase access to capital for borrowers who may not otherwise be able to access financing. The organization functions as a bridge between larger national funds with flexible capital and local entrepreneurs. We are looking to increase the size of the financial pie so more entrepreneurs can realize their dreams - to have a successful business, increase their financial security and have a home where they can raise their family.

In 2023, our overall lending increased to \$2.6 million from \$1.2 million in 2022. To further define our operations, we developed two new lending programs. The first is a working capital loan fund for vendors at Fusion Fest, a two-day festival held in Howard Park. Six vendors were able to borrow working capital so they could participate in the event. The second program is an affordable housing pilot fund to provide equity investments so landlords can increase their housing development capacity. Both of these programs create jobs in the community and helped entrepreneurs to develop solid businesses.

In addition to our lending, we started a coaching program, that was funded with a grant from the Indiana Economic Development Corporation. This program meets the need to provide businesses with consistent long-term coaching support. The coaches help these entrepreneurs take their businesses to the next level so they can obtain financing.

Thank you to our supporters, especially the Leighton Foundation and the City of South Bend for helping us grow our capital fund. We would like to thank 1st Source Bank, Everwise Credit Union, Centier Bank, Notre Dame Federal Credit Union and Woodforest Bank for their operational support in our start up years.

We are looking forward to 2024, growing our credit coaching program, supporting more small businesses and developers and advocating for financial justice for our community.

Have questions about our work? Want to get involved and help us make a difference? Reach out and let's connect.

Thank you,



Anne Mannix, Board Chair
anne@housingmattersllc.com



Sam Centellas, Executive Director
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WHY CDFI FRIENDLY?

We believe that you cannot have a vibrant community unless everyone has economic opportunity.

We connect with local borrowers, understand their capital needs, then match them with lenders to meet these needs.

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Community Advocacy

Traditional banks generally require that potential borrowers have equity or collateral to secure their loans. This creates barriers to accessing financing-especially for minority business owners.



“We had some hard ‘no’s”

Rhonda Douglas and Tiarra Hammond wanted to bring their pedal trolley startup to life, but didn’t have sufficient collateral to satisfy traditional lenders’ requirements.

See how CDFI Friendly South Bend helped them launch on Page 9.

Through advocacy and focus on community needs we have brought stakeholders together to create change in our region. Our initial growth has proven our model works.

Rhonda and Tiarra had a dream to someday cut the ribbon on a business of their own...

Small Businesses

We create opportunities for historically marginalized small-business owners to succeed through lending and coaching. Our programs help business owners learn about finance and prepare successful loan applications.



Access to Capital workshop with Allies for Community Business and the South Bend Regional Chamber.

85
Local business clients served in 2023.

21
Latino-Owned Businesses

50
Black-Owned Businesses

50%
Women-Owned Businesses

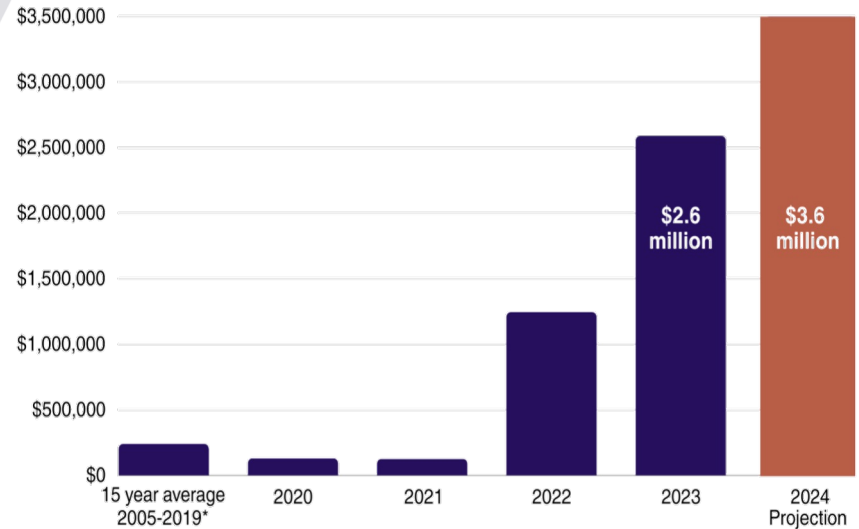


CDFI Lending

The South Bend region has historically been underserved in accessing CDFI capital. CDFI Friendly South Bend identifies reputable Community Development Financial Institutions (CDFIs) and connects them with local borrowers who need non-traditional and non-predatory capital sources.



CDFI Lending in South Bend Area



*Figure is a yearly average of 3.6 million total lending 2005-2019

10x
Increase in 2023 over the previous 15 year average.

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Financial Ecosystem Partnerships

In addition to facilitating CDFI lending, we also connect clients with community partners to ensure equitable access to capital in our community.



Executive Director Sam Centellas speaking on panel about housing discrimination and financial justice.

CDFI lending is our focus, but we refer clients to all types of lending options from banks to credit unions, and municipal sources.

\$3.86M
Investments
in 2023 of facilitated lending throughout the region with partner groups.



Innovative New Programs

Our engagement with small business owners, community leaders, and our financial partners help us craft programs to meet the needs of the communities we serve.



Fusion Fest Fund



We partnered with the City of South Bend and Allies for Community Business to create a special fund to offer \$2,500 line of credit with a streamlined application process to help local entrepreneurs go big in a hurry.

Capital Coaching



In partnership with the Indiana Small Business Development Center and the Indiana Economic Development Corp we launched our Capital Coaching program where we pair entrepreneurs with expert mentors.

This program will provide 100 hours of free coaching in St. Joseph, Elkhart and Marshall Counties.

100%
of coaching clients are minority or women-owned businesses.



6
Fusion Fest Fund Loans

In 2024 we plan to continue the Fusion Fest Fund, as well as expand to other regional festivals.

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Affordable Housing Development



Listening to the needs of developers to effectively align resources.

We help non-traditional, minority real-estate developers access financing to buy properties used to create affordable housing units. Due to the appraisal gap, these developers would not otherwise be able to access large enough loans to purchase each property.

13

Affordable
Housing Units
Supported

11

Developments
funded by a
CDFI

Our vision is to create a credit enhancement fund that will make meaningful investments happen in our community while generating income long term to offset our expenses.

Client Story: The JumpOff

The JumpOff is South Bend's first pedal trolley. Since its debut in May, the bright green foot-powered vehicle has been an eye catcher in parades, at art fairs, and on the streets of downtown.



Rhonda Douglas, Tiarra Hammond and family with South Bend Mayor James Mueller at their 2023 ribbon cutting.

“People will always stop – if they’re in their cars, if they’re walking, whatever. They’re just super excited,” says Rhonda Douglas, co-owner of The JumpOff, describing how people will point and cheer as the trolley rolls by. “That never gets old for me,” Douglas adds.



Finances and Governance

As a small nonprofit, we've made a big impact on the flow of capital toward affordable housing, small businesses, and nonprofits in our community.



Anne Mannix - Chair
Consultant, Housing Matters



Manjima Bose - Secretary
Director, Baker Tilly US



Paula Sours - Treasurer
Owner, Visions GPS Branding



Ryan Bell
Vice President, 1st Source Bank



Carlos Bolden, MD, FACOG
Vice Chief, Department of Obstetrics & Gynecology, Memorial Hospital



Nicola Brown
Founder and CEO, KOKORO



Angela Logan, Ph.D.
Academic Director MNA, Mendoza College of Business, University of Notre Dame



Lisa Mayorga
Business Development Specialist, City of South Bend



Marcus Northern
Owner, Kennedy Expressline



Bryan Olund
Vice President, Small Business Banking, Centier Bank



Sam Centellas - Executive Director

Our volunteer Board of Directors play a critical role in the governance of our young nonprofit. Our Directors serve on three committees: Housing, Small Business, and Investment/Capital Fund.



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We are a 501(c)(3) nonprofit. Donations made by individuals/companies are tax-deductible.

\$687k
Total Annual Revenue

\$157k
2023 Operating Income

\$135k
2023 Operating Expenses

\$832k
Capital Fund Balance

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