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LDC and the City of Charleston announce settlement agreement to help address the City's growing affordable housing problem

CHARLESTON, SC – MAY 28, 2019 – The LDC and the City of Charleston announced today that the LDC, the City of Charleston, Mayor John J. Tecklenburg and former Mayor Joseph P. Riley, Jr. have entered into a settlement agreement to help address the City's growing affordable housing problem.

The agreement is related to the usage of Charleston Place development project funds repaid to the LDC in 2016. In the settlement, the LDC will direct the majority of the \$22.8 million towards helping solve the city's affordable housing issues.

"This settlement allows both parties to return our focus to what is best for the people of Charleston," said newly appointed LDC CEO Steve Saltzman. "The majority of the \$22.8 million will go directly to helping for-profit and nonprofit developers find ways to build affordable housing in the City of Charleston. The LDC is excited to apply its three decades of innovative community development finance experience to the challenge of workforce and affordable housing in Charleston. We look forward to working hand-in-hand with the City to make sure the funds are distributed in the most innovative and effective ways possible."

"This partnership with the LDC, allows us to not only bring needed funding to address the critical workforce housing shortage, but also to support important projects across the City such as One80Place," said Charleston Mayor John Tecklenburg. "Working with LDC, we will utilize their rich experience in providing innovative funding solutions to businesses in the area to now help developers create affordable housing efficiently and effectively."

Both parties have agreed to the transfer of \$10 million from the LDC to the City of Charleston for the development of affordable housing within the City. In addition, the LDC will establish a permanent revolving fund for affordable housing development loans within the City of Charleston with \$9.2 million.

The remaining \$3.6 million will be used to support the LDC's core mission of providing small business lending and support in the City of Charleston according to Title I, and potentially the Charleston Metropolitan Statistical Area in the future if necessary to find sufficient qualified applicants.

About LDC

The LDC, established in 1979, is a non-profit focused upon creating wealth for those in South Carolina's Berkeley, Charleston, Colleton, Dorchester and Williamsburg Counties, who have historically been denied access to capital. As a federal and state certified CDFI, the LDC provides flexible business lending products, along with extensive technical assistance, to women-owned, minority-owned, low-income, veteran, and other underserved business owners. The LDC also helps in the funding of affordable workforce housing projects through effective and flexible programs around the great Charleston area.