



# ANNUAL LETTER TO ACC INVESTORS

Appalachian Community Capital (ACC) enjoyed another productive year in 2024, leading innovative initiatives and bringing significant new capital to the region in the form of an alternative energy grant. But it was also a year of challenges as the organization, along with other CDFIs, strove to meet their mission and support economic self-sufficiency and small business growth for the communities they serve.

**This letter highlights major events that occurred in 2024.**

## ACC LENDING ACTIVITY

As a wholesale community development lender, ACC aggregates capital and passes the capital to its members (numbering 41 at the end of 2024). ACC ended 2024 with cash in excess of \$5.4M (\$1.45M unrestricted/\$3.95M restricted funds) plus approximately \$500K in available credit for our lines of credit. ACC funded \$8.75M in new loans during 2024, an average deployment amount. CDFI borrowers financed 29 small businesses, which used the loans for working capital, to buy equipment, expand their business, and make other improvements. As with capital it receives from other sources, CDFI members leverage ACC capital to attract additional investments. Since it began lending in 2015, ACC has raised and deployed over \$50M to members; this capital is continuously recirculated in underserved communities in the region. .






\$5.4M	\$500K	\$8.8M	29	\$50M
Plus in Cash Reserves	In Available Credit	New Loans Funded	Small Business End Borrowers Financed	Deployed Since 2015

## DEVELOPMENT SERVICES

CDFIs are required to provide training and technical assistance to their borrowers. In ACC's case, that means gauging the interest of members then offering them an opportunity to obtain and/or share knowledge about growing their organizations and better serving their customers. In 2024, in response to survey results from members, ACC offered business lending training, introductory CDFI courses, and alternative energy financing training. ACC also provided small business lending data analyses for members who are pursuing practices that will have greater impacts for their small business customers and that will build their organizations' capacities. Close to 100 staff from regional CDFIs attended these sessions.

# CLEAN COMMUNITIES INVESTMENT ACCELERATOR

The second quarter of 2024 started off on a high note. On April 4, the U.S. Environmental Protection Agency (EPA) announced that ACC was one of eight recipients of its Greenhouse Gas Reduction Fund grants. The grants were awarded through a rigorous, transparent, and highly competitive process. ACC was thrilled to learn that it was selected by the EPA for a \$500M award for ACC’s wholly-owned subsidiary, the Green Bank for Rural America. The grant was provided through the EPA’s Clean Communities Investment Accelerator (CCIA) program. ACC intended to use the award to achieve five goals.

				
Catalyze green energy investments in low-income and rural communities across the nation	Leverage private capital to finance an anticipated \$2.25b in 2,750 renewable energy projects	Create 18,000 quality jobs in rural communities	Reduce energy generation from carbon-based sources by 1.4m megawatt hours annually	Reduce carbon emissions by 12m tons annually

By the end of the year, the landscape had changed dramatically, as a new EPA administrator announced the agency’s intent to cancel the \$20B in contracts awarded to the eight organizations. ACC believes the EPA’s actions are based on inaccurate and misleading information. Funds have been frozen, which has put nearly \$300M in requests from community lenders, across Appalachia and rural America, in limbo—funds that would create good jobs, support small businesses, and strengthen local economies.

A significant portion of the funding requests came from lenders working to rebuild infrastructure, businesses, and local economies in the wake of Hurricane Helene’s devastating impact in 2024 on Southeastern Appalachian states.

Whatever the outcome, ACC is extremely proud of its highly motivated, smart, and committed team that worked tirelessly to ensure that hard-hit communities in the 13-state Appalachian Region and other rural US communities would benefit from the now delayed funds.



CCIA Awardees April 4, 2024, announcement in Charlotte, NC



ACC/Green Bank Rapid Response Team–Dec. 2024

## OPPORTUNITY APPALACHIA

Opportunity Appalachia (OA) provides access to technical assistance and supports capital raise activities for participating projects. As a technical assistance matchmaking program, we connect project sponsors with experienced providers to advance project readiness. Services range from architectural design and engineering to market assessments, financial projections, business plan development, and preparation of tax credit incentive materials. Importantly, we actively identify and engage investors, serving to lift up OA's selected projects, demonstrate their investment potential, and connect to suitable investment partners. Without OA's assistance, these projects would not reach larger investor audiences.



*Rendering by Alliance Architecture of Blue Note Junction - Community Health and Business Incubator- Asheville, NC*

Since 2020, OA had supported 86 projects seeking to raise \$700 million in financing and create 4,700 quality jobs. OA's investment priorities include downtown development, housing, manufacturing, IT, healthcare, education, food systems, clean energy, and heritage tourism and recreation—primarily in rural communities.

Opportunity Appalachia engages a diverse range of investors that prioritize high impact projects in underinvested areas, including Qualified Opportunity Zone Funds, New Markets Tax Credit community development entities, Historic Tax Credit investors, banks, CDFIs, angel investors, crowd funding platforms, and public funders.

Financial supporters of OA include the Appalachian Regional Commission, the U.S. Department of the Treasury's CDFI Fund, Truist, Dogwood Health Trust, the Claude Worthington Benedum Foundation, U.S. Bank, and M&T Bank.

Projects are selected through a robust outreach process that includes engagement with state and local economic development agencies, non-profit community-based organizations, private business owners and developers, CDFIs, banks, investment partners, and educational institutions. Our target geography includes Appalachian communities in Kentucky, North Carolina, Ohio, Tennessee, Virginia, and West Virginia.

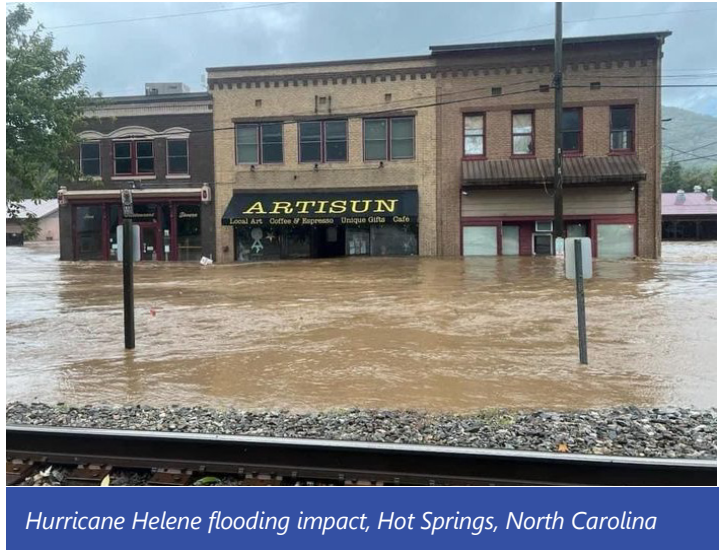
In 2024, twenty-seven projects were awarded \$1.9M in technical assistance funding for pre-development on a diverse array of developments, including housing, entrepreneurial and sustainable development hubs, manufacturing facilities, community centers, arts and entertainment centers, coworking spaces, and hospitality. The projects propose to create over 2,000 jobs, support more than 150 businesses, and attract nearly \$220M in public and private investment.

Also, in November 2024, Opportunity Appalachia hosted a Local Developers Forum with over 60 attendees—mainly current and former OA project sponsors—who engaged in discussions about how successful projects are created, organized, financed, and delivered. More than just panels and presentations on real estate, the Forum was structured to allow attendees time to connect and build their network of resources, colleagues, and others undertaking projects similar to theirs. The event was organized and curated in collaboration with Building Small, which hosts forums around the country focused on small-scale development.

## HURRICANE HELENE AND DISASTER RELIEF

In September 2024 Hurricane Helene swept across five Southeastern Appalachian states. We were heartbroken to see the devastation wrought by the storm and to know that neighbors, friends, families, and colleagues who lost their homes and/or businesses were living without power and running water and still facing a challenging road ahead.

To support very small businesses in Western North Carolina that sustained physical damage from Hurricane Helene, ACC and the Dogwood Health Trust launched the Western North Carolina Small Business Initiative to provide relief grants of up to \$25K. Grants could be used to cover expenses related to recovery and reopening, including physical damage repair and replacement, environmental cleanup, payment of business-related rents or mortgages, employee retention, hiring, and more.



*Hurricane Helene flooding impact, Hot Springs, North Carolina*

ACC worked with member the Community Reinvestment Fund and North Carolina CDFI partners and by the end of the year had disbursed over \$6M to 281 small businesses.

ACC and partners were grateful to receive additional funding support (\$35M) from the State of North Carolina, the Duke Endowment, the Ford Foundation, and the Silicon Valley Community Foundation, which increased grant proceeds up to \$50K. These grants are on schedule to be fully disbursed in early 2025. To date, ACC has been granted \$55M to support disaster relief efforts for small businesses in Western North Carolina.

Recovery takes a long time, and ACC continues to seek funding not only for Western North Carolina, but also for other Appalachian states that have experienced hurricanes and floods and are still trying to pick up the pieces.

## DATA ANALYTICS HUB

ACC continues to lead the Appalachian Community Capital Data Hub, a customized platform designed to support CDFIs through real-time mapping, market insights, and lead generation tools. Since launching in August 2022, ACC has advanced the development of a centralized data infrastructure designed to strengthen climate-aligned investment and financial inclusion across the Appalachian region. In 2024, The Data Hub team worked closely with the Green Bank for Rural America to lead development of a national mapping tool, expanding the Hub's functionality to reach small businesses across all 50 states. In collaboration with funding partners, MasterCard Center for Inclusive Growth, JP Morgan Chase, the Dogwood Health Trust, and Truist Foundation, the initiative is on track to support CDFIs in identifying and deploying capital in high-impact, underserved communities, while reinforcing climate resilience and data transparency.

The Data Hub team and its vendor partners have accelerated the launch of new features within the Data Hub, including an ArcGIS-based dashboard. This dashboard is now usable by partners and enables CDFIs to assess business eligibility across multiple federal designations such as Opportunity Zones and Persistent Poverty



Counties. The platform is supported by ongoing onboarding and technical workshops, to ensure ease of use and adoption. In addition to geospatial capabilities, the Data Hub incorporates a portfolio data mining layer. This feature allows users to identify patterns, conduct risk analysis, and detect early indicators of investment potential using both structured and unstructured data inputs. The insights are designed to support smarter, faster capital deployment.

Since the launch of the Data Hub, nine regional CDFIs have formally joined the initiative. These partners have disbursed over \$40M dollars in financial support to small businesses across 31 counties. This includes an estimated \$5M in approximately 50 small business loans generated from over 700 leads delivered by the Data Hub.

## A FINAL WORD

The debt capital that ACC received in 2024 enabled it and its members to continue to have an impact, financing projects such as a women's health center, a pharmacy, restaurants, a hardware and building supply company, a therapy center, and so many more businesses that serve as lifelines for their communities.

Grants are also a vital component in supporting economic development. In 2024, in addition to the \$500M EPA grant, ACC obtained \$7M in grants for technical assistance for redevelopment projects, data analytics, capacity building, and small business growth.

## 2024 INVESTORS AND FUNDERS

### INVESTORS

- Ceniarth (Isenberg Family Charity Foundation)
- Dogwood Health Trust
- Goldman Sachs
- PNC Bank
- Religious Communities Impact Fund
- US Bancorp
- Veteran Loan Fund

### FUNDERS

- Appalachian Regional Commission
- CDFI Fund
- Charles and Mary Grant Foundation
- Commonwealth's Capital for Communities Fund
- Dogwood Health Trust
- Invest in Our Future
- JP Morgan Chase
- Mastercard Center for Inclusive Growth
- Truist Foundation
- Winston-Salem Foundation

ACC is grateful for the ' support received in 2024. We continue to be committed to our mission and look forward to a productive 2025!



**Donna Gambrell**  
President and CEO