



ANNUAL REPORT 2016

Game Changers

Game Changer

2016 was a game changing year for LEDC. Among other banner accomplishments, it was the first year we won the Community Economic Development (CED) grant from the U.S. Department of Health and Human Services. With this support, LEDC was able to go above our prior small business lending cap of \$50,000---making interest-free loans to DC restaurants for financing up to \$100,000 to fund their high-yield job-creating projects in the District. This was a game changer for us because it expanded the capacity of our loan fund and the kind of support that we could provide our clients in an increasingly cost-prohibitive business market. LEDC knows that one game changing moment is sometimes all it takes to set an organization, an entrepreneur, or an individual into forward motion. In partnership with our clients, we witness game changing moments every day at LEDC. In this 2016 report we celebrate the game changers that made this year a success!



SMALL BUSINESS SUCCESS

Forget fries and pizza. Delicious, healthy rice bowls are making waves in Baltimore, thanks to two enterprising South Korean sisters.



Gradually word spread, and the restaurant became a huge success. Encouraged by the positive response to their fresh, healthy food, the sisters decided to expand and open a second location. Then they hit a major roadblock: Banks were hesitant to give them a loan.

“They [LEDC] knew exactly what I needed. Everything that they’re doing is very positive.”

- HEATHER CHUNG

After immigrating to the U.S. from South Korea, sisters Unmi Kim and Heather Chung owned a Baltimore liquor store for five years. Selling alcohol didn’t make them happy, though, and so they turned their attention to opening a restaurant that showcased their native cuisine.

They opened Brown Rice Korean Grill in December 2014, serving dumplings and “Bibimbap,” a typical Korean brown rice bowl topped with protein, vegetables, and an array of savory sauces.

After struggling to find small business support in Baltimore, Heather and Unmi came across LEDC. In April of 2016 LEDC began providing them with financial assistance and business coaching, making it possible for the sisters to eventually achieve their goal of opening a second location. With the help of LEDC, Unmi and Heather have increased their sales by .5%—and now demand is so high that they even offer catering for conferences and small events.



HOMEOWNERSHIP SUCCESS

For Santiago native Cristian Gajardo, owning a home in Washington, DC, was a dream—until it became a reality.

Cristian Gajardo moved to Washington, DC, in 1988, when he was eleven years old. Originally from Santiago, Chile, he has lived in the District—and loved it—for most of his life. His dream was to own a home in DC and have his two children attend the public charter school he works for.

Although Cristian had known about LEDC since the 1990s, when he was involved in advocacy work, he didn't know that it provided homeownership workshops until he decided to buy a home in 2010. While doing a bit of research, he came across LEDC and decided to attend one of its workshops on DC's Home Purchase Assistance Program (HPAP), which provides up to \$80,000 in down payment and closing cost loans, interest-free. But when he tried to purchase a home for the first time he couldn't find anything within his budget, and was left feeling disappointed and defeated.

"I think it's incredibly important for organizations like LEDC to exist. I have already recommended it to people who are in the same situation that I was in."

- CRISTIAN GAJARDO

Still, Cristian decided to try again in 2015 and attended a second workshop. This time, things went better. He worked with LEDC to learn how to avoid overspending, create a budget for his family, and pay off all high interest credit cards so that he would be as debt-free as possible. He then found a house within his price range and through LEDC was able to get a \$30,000 HPAP loan and an additional \$10,000 loan because he works for a public charter school.



2016 BY THE NUMBERS

Our impact



SMALL BUSINESS SUPPORT

610 aspiring and existing small business entrepreneurs supported through small business technical assistance and micro-lending



SMALL BUSINESS DEVELOPMENT

592 entrepreneurs trained via 71 small business development workshops



SMALL BUSINESS TECHNICAL ASSISTANCE

415 residents received 2,746 hours of one-on-one small business technical assistance



SMALL BUSINESS LOANS

153 small business and consumer loans totaling more than \$1.6 million in capital.



BUSINESS AND JOB CREATION

64 businesses created, retaining 365 full-time equivalent jobs and creating 231 full-time equivalent jobs



AFFORDABLE HOUSING

3,218 DC tenants in 68 buildings assisted with affordable housing preservation services



PRESERVATION

590 housing units preserved as affordable



PUBLIC INVESTMENT

\$64 million in both public and private investments facilitated into affordable housing improvements



TENANT ORGANIZING

\$100 million investment in the Housing Production Trust Fund facilitated by tenant organizing in collaboration with CNHED's Housing For All Campaign



FINANCIAL CAPABILITY

1,156 low to moderate income residents receive financial capability, rental, and homeownership training



HOMEOWNERSHIP

44 low to moderate income families/residents purchased their first home



FORECLOSURE PREVENTION

172 families at-risk for foreclosure counseled



LOAN MODIFICATION

26 families avoided foreclosure through principal reduction or permanent mortgage modification

FORECLOSURE SUCCESS STORY

Montesinos Rodriguez had no problem purchasing his home. The trouble began after he handed it down to his son.



“They [LEDC] treated us with respect, with love. I say to my son: You see, there is light.”

- MONTECINO'S WIFE

his son. When the time came, he was disappointed to find that, after a while, his son was not interested in keeping the house and stopped making mortgage payments.

Montesinos reached out to various lawyers for help but only ended up losing more money and getting stuck with a higher mortgage. Meanwhile, the banks told him to find a solution in three months, or face foreclosure. That's when he got in touch with LEDC.

Over the course of several months Montesinos worked with LEDC to learn what his options were, and to find a solution. Step by step, he and LEDC prepared the necessary documents to apply for a modification to his mortgage. Not only did the modification get approved, it was made permanent, giving Montesinos the security of knowing he and his wife will be able to stay in their home.

Montesinos Rodriguez is no stranger to loss. He suffers from diabetes and has lost four toes due to the disease. But one thing he couldn't face losing was his home.

A Maryland resident for more than three decades after immigrating to the United States from Oaxaca, Mexico, Montesinos bought his home in Rockville, Maryland, about twelve years ago. His intention was always to pass it down to

AFFORDABLE HOUSING PRESERVATION SUCCESS

From broken windows to rats running free, the apartment Tesfaye Lencho was living in was entirely unlivable.

Tesfaye came to the United States 36 years ago from Ethiopia to train as a pilot in Georgia. He was the youngest in a large family and the first to leave home. After he completed his training, he moved to the DC area, where he eventually got married and raised his five children.

About six years ago, the apartment he'd been living in with his wife since 2004 started to feel more like a hell than a home. His building was in the midst of an electrical upgrade, and it was causing serious problems. Holes in the walls were letting in cold air—as well as roaches and rats. The building also had damaged windows, and break-ins were frequent.

When the landlord insisted that residents begin paying for utilities, Tesfaye hit his limit for what he could tolerate, and reached out to LEDC for help.

Over the next year, working as an advocate for the residents, and as a mediator between them and their landlord, LEDC helped Tesfaye and his neighbors organize a tenant's association and use their collective power to demand change.

Inspections followed. Windows were repaired, locks were replaced, holes were filled. Utility payments were reimbursed—and are now once again not the responsibility of the tenants.



“We would not have been able to achieve what we have if LEDC had not come to our aid, it made a huge impact in our lives.”

- TESFAYE LENCHO

SMALL BUSINESS SUCCESS

When the recession hit in 2008, Maria (Mari) Bonnemaïson and her husband, Brooks Moore, almost had to shutter the Baltimore-based digital media company they'd built together.

For years Brooks Moore ran a small production company in Montgomery County, Maryland. But in 2001 he had to close after Discovery opened its headquarters in the same region. That's when his wife, Maria (Mari) Bonnemaïson, decided to start a film company in Baltimore, where Brooks was born. Though Mari was born in Washington, DC, her family is from Peru and she'd been a producer and a television reporter there. She loved the challenge of visual storytelling, and being able to work on projects that she believed would foster positive change in the world.

Mari and Brooks grew Bonnemaïson over time. But then in 2008 the economy took a turn for the worse, and they came close to going out of business. It was a struggle to pay the bills. They needed a loan but, because banks were reluctant to help, they had to cut staff—and even ask to borrow money from family.

Then, three years ago, Mari and Brooks had a meeting with LEDC. Within a month LEDC helped them get a loan, manage their accounting and taxes, and start

“When I had to let everybody go it was really scary. I'm so thankful for the moral support LEDC has given us.”

- MARI BONNEMAISON

building relationships in Baltimore's arts district and with big companies like Under Armor. LEDC also helped Brooks find opportunities in voice over work.

Today Bonnemaïson Inc., a certified minority-owned business, is growing again. Clients include Johns Hopkins, Agora Financial—and, in a nice twist of fate: Discovery.



“I think it is very important that organizations like this exist. I tell people that we have to try and support each other. We have to work together.”

- MARIA RODRIGUEZ

AFFORDABLE HOUSING PRESERVATION SUCCESS

The landlords of Maria Rodriguez's apartment building were neglecting serious maintenance problems. It took hiring lawyers and organizing a tenants' association to get their attention.

Fleeing poverty and civil war, Maria Rodriguez came to the United States from El Salvador in 1983. She settled in Washington, DC, to be near family, and has lived here ever since.

Maria has lived in many apartment buildings in DC, but the most recent one was dilapidated. A portion of her bathroom ceiling fell and the door broke, and her kitchen sink leaked. Neighbors had similar problems, and requests for maintenance either went completely unacknowledged or only partially addressed. Bed bugs and

other pests were an issue, as were dingy carpets. On top of all this, rents were increasing.

In 2012 a group of residents learned about LEDC and sought assistance. Since then Maria has become a leading voice in the tenants' association that LEDC helped her and her neighbors form. In addition to helping residents understand—and fight for—their rights, LEDC helped them file a lawsuit in 2016, which has resulted in modified rents and greater focus on crucial building repairs.

Financial Statements 2016

SUPPORT & REVENUE	2016		2015
Federal Grants and Contracts	\$ 1,232,656	53%	\$ 1,006,653
State and Local Grants	\$ 537,780	17%	\$ 318,633
Foundations and Corporations	\$ 1,068,891	33%	\$ 711,000
Other contribution revenue	\$ 39,552	1%	\$ 35,312
Interest and Other Income	\$ 363,838	11%	\$ 369,578
TOTAL SUPPORT AND REVENUE	\$ 2,441,176		\$ 2,441,176

EXPENSES	2016		2015
Program	\$ 2,515,803	89%	\$ 1,990,390
Administrative and General	\$ 251,640	9%	\$ 304,407
Fundraising	\$ 67,032	2%	\$ 59,603
TOTAL EXPENSES	\$ 2,834,475		\$ 2,354,400
Change in net asset from operations	\$ 408,242		\$ 86,776

ASSETS	2016		2015
Cash	\$486,895		\$ 466,556
Grants and Other Receivables	\$ 964,997		\$ 536,172
Loans Receivable, current portion (net)	\$ 1,165,907		\$ 1,100,291
Prepaid expenses	\$ 6,849		\$ 15,107
Restricted cash	\$ 189,653		\$ 167,557
Loans Receivable, non-current	\$ 1,482,892		\$ 1,345,806
Property and Equipment (net)	\$ 128,528		\$ 80,091
Other assets	\$ 21,633		\$ 19,523
TOTAL ASSETS	\$ 4,447,354		\$ 3,731,103

LIABILITIES AND NET ASSETS	2016		2015
Accounts payable and accrued expenses	\$ 175,713		\$ 150,553
Capital lease obligations, current	\$ 19,649		\$ 41,046
Capital lease obligations, noncurrent	\$ 73,688		\$ 22,366
Notes payable and lines of credit, current	\$ 813,569		\$ 988,499
Notes payable and lines of credit, noncurrent	\$ 1,172,645		\$ 744,950
Deferred revenue	\$ 6,369		\$ 5,054
Deferred rent	\$ 6,367		\$ 7,523
TOTAL LIABILITIES	\$ 2,268,000		\$ 1,959,991
NET ASSETS	\$ 2,179,354		\$ 1,771,112
TOTAL LIABILITIES AND NET ASSETS	\$ 4,447,354		\$ 3,731,103

What We're About

Working families deserve opportunities to ensure their long-term financial stability by having access to affordable homes and owning successful small businesses – but too many are not afforded these opportunities. At LEDC, we equip Latinos and other underserved communities in the DC and Baltimore metropolitan areas with the skills and financial tools to create a better future for their families and communities. Participants in our programs learn how to buy and stay in their homes, take control of the decisions affecting their apartment buildings, and start or expand small businesses. The entire Washington and Baltimore regions are stronger when all families have the power to achieve financial independence and join with their neighbors to improve their quality of life.

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